Daily Report

Latin America

FBIS-LAT-92-007
Friday
10 January 1992

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Cuba

Attempt To Seize Ship at Navy Base Foiled

PA1001020792 Havana Radio Havana Cuba in Spanish 0114 GMT 10 Jan 92

[Text] [Announcer] Our colleague, Susana del Calvo, is here with us at the studios. Susana brings a last minute report aired a few seconds ago on Cuban television's evening newscast. Susana, good evening and welcome.

[Del Calvo] Greetings, dear listeners. The Ministry of the Interior has just aired a report on the evening television newscast about the enemies who tried to seize a ship at the Tarara Navy Base, located on the beaches along the eastern coast of the Cuban capital. The individuals took advantage of the fact that one of them, identified as Luis Miguel Almeida Perez, had worked at the base. They entered the base through the beach... [pauses] The other two came to help him and tied down three security personnel and their assistant, later machine-gunning the men with their own weapons.

As a result, three security people were killed, while a fourth person—who was able to identify those who entered the Navy Base—is badly wounded at the [word indistinct] Soto Navy Hospital in the Cuban capital with four bullet wounds. You can imagine how they were tied down and later machine-gunned.

Within a few minutes, at 2100 [0200 GMT] here in Havana, the bodies of these combatants will lie in state at the Interior Ministry headquarters in the Cuban capital, where the Cuban people will pay tribute to them. Despite all this, the combatant who survived managed to avoid taking... [pauses] At this time, those who perpetrated the attack are at large, but we are confident that....

[Announcer, interrupting] In other words, those who perpetrated the attack are still at large within Cuban territory? They were not able to seize the ship, which was their objective?

[Del Calvo] That is correct. They were not able to take the ship.

[Announcer] Thank you very much, Susana, for this last minute report.

Ministry Issues Communique

FL1001024892 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 10 Jan 92

[Communique issued by the Interior Ministry; place and date not given]

[Text] In the early hours of Thursday, 9 January, three Ministry of Interior [Minint] combatants were murdered in a treacherous and vile manner while fulfilling the sacred duty of defending the coasts of the nation and protecting the resources of the people at the Tarara Naval Base in the Havana del Este Municipality of this capital. The names of the fallen combatants are: 19-year-old Sergeant Third Class Yuri Gomez Reinoso, public order official of the National Revolutionary Police [PNR] territorial unit of Celimar; 20-year-old Soldier SMG [General Military Service] Orosman Duenas Valero, border guard combatant; and 30-year-old CBP [expansion unkown] Rafael Guevara Borges of the Jose Marti pioneers camp.

During this criminal attack, Sergeant First Class Rolando Perez Quintana, public order official of the PNR territorial unit of Celimar, was seriously injured by four bullets. Perez Quintana was alive when the murderers left the site, believing him dead like the rest of his comrades. The attack took place when a still undetermined number of counterrevolutionary elements penetrated the naval base, taking advantage of the fact that one of them, Luis Miguel Almeida Perez, had worked on the base and was known. Once on base, they jumped the combatants, making it impossible for them to defend themselves. The attackers took the combatants' weapons. Later, the attackers attempted to steal a vessel to leave the country. When this failed, they fled after aftaer tying up our comrades and riddling them with bullets.

The fallen combatants will receive the posthumous homage of their comrades and the revolutionary people beginning at 2100 in the lobby of the Ministry of Interior main building at the Revolution Plaza. The burial will take place on 10 January at 1500 at the Revolutionary Armed Forces pantheon at Colon Cemetery.

Thanks to the testimony of Sergeant First Class Rolando Perez Quintana, whom the murderers left for dead and who is in critical condition at the Diaz Soto Military Medicine Institute, we are able to inform the people that it has been determined that one of the perpetrators of the criminal murders of the Minint combatants at the Tarara Naval Base is Luis Miguel Almeida Perez, [repeats] Luis Miguel Almeida Perez, a fugitive.

Luis Miguel Almeida Perez has light brown skin, is 24 years old, and resides in the Guanabacoa Municipality. He is 1.65 meters tall and weighs approximately 75 kg. He and his accomplices are armed with one AKM rifle and two Makarov pistols stolen from the murdered soldiers. Minint forces are working together with the people by means of the Unified Vigilance and Protection System to capture Almeida Perez and his accomplices.

To facilitate the participation of the people, the following telephone numbers have been designated: 82-01-16 and 70-94-61 through 70-94-69 at the Havana City Police Headquarters, where calls will be received to help capture the murderers. Calls can also be made, for the same purpose, to any known Minint telephone number in the rest of the provinces of the country.

Perpetrators Arrested

FL0901125592 Havana Radio Progreso Network in Spanish 1200 GMT 9 Jan 92

[Communique issued by the Ministry of the Interior; place and date not given]

[Text] According to discoveries made during the investigation concerning the infiltration team [preceding word in English] captured on 29 December in Cardenas Municipality, Matanzas Province, the three team members had the definite intention of carrying out various violent counterrevolutionary activities including sabotage, terrorist operations, and subversive propaganda. Those arrested have themselves stated their intention of undertaking these criminal actions to sow panic among the populace and present their activities to Cuban and international public opinion as the exclusive work of domestic opposition groups without aid from abroad.

At the time of the terrorists' arrest, 41 plastic explosive devices, four grenades containing chemical irritants, one red smoke grenade, one AKM rifle, one Luger submachine gun, two pistols, enough ammunition for those weapons, and nine audio tapes with subversive messages were seized. These weapons were to be used to carry out the terrorists' plans. An expert examination of the seized weapons, carried out as part of the judicial investigation process, concluded that they were in good mechanical condition, ready for combat, and showed signs that they had been fired.

The individuals planned to use the explosives and other incendiary devices at economic centers, stating that these included the Matanzas paper mill, the Archavala liquor factory in Cardenas, the Havana electricity plant, recreation centers, vehicles, movie houses, theaters, and other places where many people gather. The individuals specified in their statements that no limits had been set on damage that could be caused to property or persons who might be the victims of the criminal actions.

The terrorists' intented to recruit more terrorists and to promote the formation of armed groups to overthrow the revolution. At the same time, they intended to disseminate calls with a counterrevolutionary content; thus, their plans also included carrying out attacking and taking over radio stations.

All these plans had been devised under the guidance of ringleaders and members of active terrorist and counterrevolutionary organizations based in U.S. territory. These leaders gave precise instructions about appealing for help in case of need to ringleaders and individuals belonging to small groups that act in this country under the guise of fighting for human rights. The terrorists were given the names and addresses of these individuals.

During the investigation, the freedom and consent with which these terrorist organizations can act in U.S. territory was again revealed, since the team was given military training in public, well-known areas of Miami. They carried military weapons and equipment without any difficulty, and left at 1900 on 28 December from Marathon Key in Florida. Those arrested also mentioned the presence of an American journalist on board the ship that brought them close to our coasts.

The facts gathered during the investigation show the convergence of these terrorists' goals and plans with what the CIA has been doing and the euphoria and triumphalism of imperialist propaganda concerning Cuba.

Castro Attends October Missile Crisis Conference

FL1001000992 Havana Radio Reloj Network in Spanish 2332 GMT 9 Jan 92

[Text] Today, Commander in Chief Fidel Castro Ruz, president of Councils of State and Ministers, is attending the first day of the tripartite conference among Cuba, the former Soviet Union, and the United States regarding the 1962 Caribbean crisis. The conference began today at the Convention Center in Havana with the participation of important political and military figures who were involved in the events of October 1962.

The former Soviet Union is being represented by Alexander Alekseev, former ambassador to Cuba; Oleg Troyanovksy, former ambassador to the United Nations; (Felix Kovaliev), former archives director of the USSR Interior Ministry; two of Nikita Khrushchev's sons; and Sergo Mikoyan, prime minister and president of the Supreme Soviet during the crisis.

President Fidel Castro is the only surviving state leader of the three countries involved in the historical event.

Makes Opening Remarks

FL1001011092 Havana Radio Reloj Network in Spanish 0002 GMT 10 Jan 92

[Text] Today, Commander in Chief Fidel Castro welcomed the participants to the October Crisis tripartite conference and expressed Cuba's commitment to adhering strictly to the facts. As the first speaker at the opening of the symposium, the president of the Councils of State and Ministers affirmed that everything Cubans might say during the meeting will be free of animosity and ill will. Fidel gave thanks for the honor of opening the meeting. The meeting is being held at the Convention Center. Fidel pointed out the recent efforts of individuals and academic and political historians to increase the knowledge of the events that precipitated the October Crisis. Fidel said many documents have been published regarding the events that put the world on the brink of a nuclear hecatomb.

While participating in the tripartite meeting, Commander in Chief Fidel Castro said that 85 pages of letters between John F. Kennedy and Nikita Khrushchev were recently made public. He mentioned the long hours spent the last few nights in reviewing the letters and documents, which he considers important, before expressing any definite opinions. Among the files reviewed, he mentioned the 85 pages of this significant correspondence. Fidel commented that he would not express his point of view because he preferred to listen to the opinions expressed in the next few days, answer questions, and later on speak at length. He pointed out

that much is known about the crisis, and Cuba declassified five letters between Khrushchev and Fidel to dispel rumors that Cuban authorities had suggested a preemptive attack.

Fidel mentioned that a rectification was made by including Cuba in the analysis of the crisis, because originally the Soviets and the American had planned to conduct the analysis leaving out one of the main protagonists. He pointed out that Cuba can contribute to explaining the events in a truly objective and unprejudiced manner and therefore continue the effort to completely explain all the facts related to the crisis. Fidel mentioned the letters between Khrushchev and Kennedy, some of which Khrushchev had read to him during his trip to Moscow, and expressed his belief that this material should also be declassified to further clarify the events. The sessions of the tripartite meeting on the 1962 missile crisis will end on the 12th. The meeting is being attended by important individuals from Cuba, the United States, and the former Soviet Union.

Conservation Commission Assigns Energy Quotas

FL0901155092 Havana Radio Rebelde Network in Spanish 1255 GMT 9 Jan 92

[Text] The Energy Conservation Commission of Havana Province has thoroughly analyzed the electrical situation of each of the 19 municipalities of the territory. It gave most of the municipalities a consumption plan that is not to be violated. The municipalities that do not yet have a quota for energy consumption will have to wait until some major electricity consumers—and there are about 200 in Havana—complete their consumption plan this week.

Explaining the commission's strategy, Rene Tellechea, a member of the provincial Politburo, said the objective is not to cause blackouts, which would be irrational since they could affect health, food, or defense institutions, nor is it to paralyze production centers, because that is not the solution. The objective is to conserve electricity. Tellechea, as well as Ibrain Ferrara, president of the Energy Conservation Commission, said they were in favor of having everyone concerned assume the necessary administrative and political responsibilities, given the fact that that is one of the most difficult tasks we are facing. This also constitutes another way of developing the revolution.

As for the role of the residential sector in Havana, Ferrara asserted that the populace needs to create an energy awareness. They should conserve and be aware of how much they can consume. In other words, today's consumption plan is to reduce consumption to a minimum.

Post Offices Change Hours To Save Electricity

FL0901220392 Havana Radio Reloj Network in Spanish 2034 GMT 9 Jan 92

[Text] As part of measures adopted by the Communications Ministry to reduce electric consumption, beginning Monday, 13 January, the hours of operation for mail and telegraph offices will change throughout the country. The post offices will remain open from Monday to Friday until 1800, and the main regional and municipal post offices will also be open on Saturday from 0800 to 1800. Mail and telegraph offices located in remote towns or neighborhoods will operate from 0800 to 1100 and from 1400 to 1800 from Monday to Friday. Postal branches with limited services will operate from 0800 to 1200 and from 1400 to 1800 on Monday through Friday and from 0800 to 1200 on Saturday.

Mexican Ambassador Praises Bilateral Relations

FL0901143392 Havana Radio Progreso Network in Spanish 1200 GMT 9 Jan 92

[Text] Mario Moya Palencia, Mexican ambassador to Cuba, has stated in Mexico City that relations between Cuba and Mexico are at a high level in the political and cultural spheres and are increasing in the economic sphere. The diplomat expressed his opinion that 1992 will be a fundamental year for the revitalization of bilateral economic ties.

Italian Association To Send Fuel, Supplies

FL0901220692 Havana Radio Reloj Network in Spanish 2049 GMT 9 Jan 92

[Text] The association for friendship between Cuba and Italy is conducting a solidarity campaign with Cuba to dispel all propaganda published against our country and to send medical and educational items. The campaign, which is entitled A Barrel of Oil for Cuba, also includes electrical and pharmaceutical products, two incubators for newborn babies, 100,000 school notebooks, and a mineral water bottling plant, which is already operating in Las Tunas [as heard]. The association, which was founded in 1961, is organizing a Cuban culture week in Florence with an exhibit of works by Osvaldo Salas and Zayda del Rio, a concert by (Leo Brower), Cuban films, and conferences by Eusebio Leal.

All the organizations opposing the U.S. blockade against Cuba have designated 25 January the Day of Solidarity With Cuba and plan to call the year by this name.

Australians Prepare To Send Food, Medicine

FL0901190792 Havana Radio Reloj Network in Spanish 1708 GMT 9 Jan 92

[Text] Australian Deputy (Jan Malenck) announced an intense schedule of solidarity work this year in her country with the aim of obtaining donations to make it possible to send a shipment of food and medicine to Cuba. The president of the Foreign Relations Commission of the Labor Party in the Australian state of Victoria energetically condemned the Yankee embargo against Cuba and mentioned that the campaign has the objective of supplying some items needed in Cuba.

She added that artists, writers, scholars, and clergymen could join the noble cause of collecting money through performances and concerts in which Latin Americans residing in Australia would play an essential role. The Australian deputy stated that she expects Cuba to remain in the vanguard of the countries that will survive in the midst of the difficult international situation.

Haiti

Aristide Chooses Theodore as Prime Minister

FL0901203592 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 9 Jan 92

[Text] According to Augusto Ramirez Ocampo, Colombian negotiator for the OAS, moderate communist Rene Theodore, who was chosen by Father Aristide as the new head of government in Haiti, could officially take office within two weeks. Augusto Ramirez Ocampo made this statement in Caracas, Venezuela on 8 January. Ocampo, who was speaking during a news conference, explained that Father Aristide's return to power could take place shortly after the installation of Rene Theodore as prime minister. The designation of Theodore should be approved by the the two legislative chambers of the Haitian parliament. They need to come to a decision concerning Theodore's cabinet and declaration general policy.

Ocampo also said that a meeting should be held on 8 Janauary, that is last night, between Father Aristide and the Haitian parliamentary delegation that went to Caracas to discuss with him the designation of the prime minister, a consensus prime minister. According to Ocampo the work is not yet over and there is still much to do. The main idea is the creation of a government with a trustworthy national representation, a huge representation. The many political parties could participate in that government, concluded Ocampo last night.

It is former Colombian Foreign Minister Augusto Ramirez Ocampo who announced that ousted President Jean-Bertrand Aristide accepted Rene Theodore as the new Haitian prime minister. This is a step toward his return to the presidency in Haiti. Ocampo, who was speaking on Radio Caracol in Colombia, explained that Father Aristide was obliged to negotiate with the members of a delegation of Haitian parliamentarians in Caracas because the Haitian Parliament did not approve the candidacies of 12 persons proposed by the deposed president. The OAS mediator, who advised of the choice of Rene Theodore, has eleminated the choice of Marc Bazin as a candidate for the post of head of the Haitian Government. He thinks Aristide should not waste time in returning to Port-au-Prince so the political crisis in the country can be solved. Ocampo said Rene Theodore's name would be sent to the parliament for ratification and added he hopes the majority of the parliamentarians will vote for him.

Deputy Confirms Choice

FL0901210392 Port-au-Prince Radio Nationale in Creole 1400 GMT 9 Jan 92

[Italicized passages are in French]

[Text] Mr. Degraff, director of Radio Nationale, had a telephone conversation last night with Deputy Frantz Robert Monde, who is part of the parliamentary delegation now in Caracas. Mr. Monde is also the vice president of the Chamber of Deputies.

[Begin recording] [Degraff] *We are contacting you in your hotel room in Caracas because we would like you to inform our listeners of the developments in the negotiations regarding the continuing crisis. Deputy Monde, what can you tell us about the current situation?*

[Monde] I will be brief because the two presidents of the Chambers have agreed to give the majority of the information to the Haitian journalists in Haiti. What is certain is that at this time, I think the negotiations are still at the same point. Theodore has been proposed as prime minister-designate. There is a letter signed by Jean-Bertrand Aristide, dated 5 January, which expressed his choice of Rene Theodore. Meanwhile, I think that the parties involved, both those for and against the return of Aristide, should keep calm, try to understand, and hold discussions around the same table to safeguard the country's interests in this matter. I do not see any reason for the Army or any other sector to lose control, despite the interpretation given in the international media based on their own interests. We are very calm and confident. We are struggling for the right cause, which is to save Haiti from the crisis it is now facing. [end recording]

Belizaire Rejects Theodore

PA1001020692 Mexico City NOTIMEX in Spanish 0101 GMT 10 Jan 92

[Text] Port-au-Prince, 9 Jan (NOTIMEX)—The coupists have said "no after all" after challenging for several weeks constitutional President Jean-Bertrand Aristide and proposing Communist Rene Theodore as a candidate for prime minister.

OAS Secretary General Joao Baena Soares had announced an "agreement" between deposed President Aristide and a group of parliamentarians to appoint Theodore as prime minister, but the Haitian Senate president said that "this is no longer possible."

Dejean Belizaire, acting Senate president and an Aristide opponent, admitted that he was among those who proposed Theodore's candidacy over that of Victor Benoit, but he now rejects an agreement reached under OAS mediation between the legislators and the deposed president.

In disqualifying communist Theodore as an "acceptable" candidate after having rejected Benoit, who was Aristide's choice, Belizaire pushed to the forefront the

"only realistic and acceptable option for the soldiers," Marc Bazin, a political source told NOTIMEX.

Paul Dejean, director of the Karl Levesque Center and one of President Aristide's closest advisers, said "there is no negotiating to return" the deposed president, "but an effort to find a solution."

Dejean, who just returned from a trip to Caracas, Venezuela, where he met with Aristide, said there had never been negotiations. He accused Augusto Ramirez Ocampo, head of the OAS special mission, of being a "manipulator."

Aristide told his followers that, had there been an attempt to betray the people, he would have returned, regardless of the cost.

The presidents of the two chambers, Senator Belizaire and Deputy Duly Brutus, issued a communique stating that the presidency of the Republic (in the hands of former judge Joseph Nerette) will not be left vacant. There will be a transfer of power.

The political game in Haiti continues as the legislators who supported the coup d'etat change their minds and the soldiers and Duvalierists stage demonstrations to support the 30 September coup d'etat and condemn the parliamentarians' negotiations with Aristide.

The demonstrators are demanding new elections. The name of former General William Regala has cropped up as the candidate of the soldiers and Duvalierists.

The foreign media confirm that the demonstrations are being paid for by Valcius Estainval, a well-known Ton-ton-Macoutes member.

Deputy Pessimistic About Country's Future

FL0901221992 Port-au-Prince Radio Nationale in Creole 1400 GMT 9 Jan 92

[Text] Following the issuance of a document analyzing the political situation in Haiti, Deputy Lionel Joseph provided this statement: I am very pessimistic about the future of this country. The document indicates how badly off the country is. What is the solution for Haiti? Here is a report by Jean-Marie Ferari.

[Begin recording] [Ferari] What is the Solution for Haiti? This is the title of a document issued by Lionel Joseph, a National Front for Change and Democracy deputy, on 8 January at the Chamber. The country is so sick, according to Deputy Joseph, that he is asking the question: What is the solution for Haiti? According to Deputy Joseph, the crisis the country is facing has existed for a long time. It is the result of social contradictions and the inability of the traditional dominant classes to solve the problems of the country.

According to the deputy, the situation has been very serious from 7 February 1986 to January 1992. Politicians are only struggling to control the political power without concern for the way the country is deteriorating. Unfortunately, according to the deputy, no effort has been made and the political struggle only makes Haiti more dependent on other countries. Deputy Joseph analysed the economic, political, and social aspect of the situation. In all sincerity, the deputy does not see how the country can come out of this situation.

[Joseph] There has never been a round table where the concerned factions could sit down, discuss, and reach an agreement. If an agreement could be found where all sectors of national life felt their interests were not left out, we would have found a solution. I believe that it is the context of the document.

[Ferari] What is the solution for Haiti? The deputy is very pessimistic about the future of this country.

[Joseph] I am pessimistic because Haiti is what it is—we should not be afraid of saying it; we should not be ashamed of saying it—we could never decide for ourselves. It is always the white people with green eyes who do the deciding for us. This entire crisis is because we frankly cannot decide for ourselves. That is why once again today the Haitian parliament cannot really bring a Haitian solution to the Haitian crisis. I do not understand what happened. I think if we are to find a solution, we need an agreement. We need to have all the factions around a table discussing the country's problems to find the reasons behind so much conflict; to find the reasons for closed schools and underdeveloped agriculture. Then we will find unity, a common resolution so we, the Haitians, decide on Haiti's crisis and the solution. As long as white people continue to demand this and that, there is no solution for Haiti. Haiti will grow worse and worse.

[Ferari] Deputy Joseph thinks Haiti still has a chance. In addition to reaching a political agreement, the role of the government should be redefined. [end recording]

Monks Report Thousands Die Due to OAS Embargo

FL0901220092 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 9 Jan 92

[Text] The OAS embargo against Haiti has already caused the death of several thousand poor people. That is what several monks said yesterday, 8 January. These monks, who work in the farming regions and have been living in the country for several years, want to remain anonymous because of the passion and political intolerance regarding the embargo question. Many partisans of the ousted president consider the embargo the only means of pressure for the return of President Aristide to power, but other sectors of the population have decried the embargo as something unfair and criminal against the people.

According to the monks, many poor patients have reportedly died. They do not receive money to buy drugs due to the economic crisis. Transportation in the country has been reduced for some time. For example, the monks pointed out that several health centers which used to

treat between 60 and 80 patients daily now treat approximately 25 weekly. In some areas like Cotes-de-Fer and Fond-des-Blancs, located in the southeast or the northwest—the most underprivileged regions of the country—people are starving. In other regions, the peasants are deperate because all food stocks will be exhausted by the end of January.

Over 2,000 people were forced to go to the campaigns [as heard] due to repressive measures carried out by the Army in the cities. These people need to eat and drink everyday and are housed in groups of 20 or 25 in small houses designed for seven or eight people. The corn and millet harvest that allowed the people in the area to live over the past few months will end. So, they are going to starve because there will be no new harvests. Malnutrition has become a big problem for all people who are struggling for a better standard of living in Haiti.

In the open markets, agricultural products are very expensive because transporation costs of these products to the capital have increased. Furthermore, these monks say the 30 September coup and the OAS embargo have caused a very serious crisis, increasing hatred and social and political violence that has existed for many years in the country, especially in rural regions.

President Salinas Delivers New Year Address

PA1001035792 Mexico City XHTV Television Network in Spanish 0200 GMT 10 Jan 92

[New Year's address by President Carlos Salinas de Gortari in Mexico City; date not given—recorded]

[Text] Compatriots: Thank you for allowing me to enter your homes with this new year message of hope, encouragement, and trust. Mexico is stronger today. There is a new year reigning throughout the country. That is because we are changing; changing for good, in peace and liberty.

We want changes to upgrade our standard of living, bring more justice; we want the neediest people to live a better life. We have advanced many of these goals because we are united, because each of us has contributed his share. Mexicans know how to help each other to build a positive force. This has allowed us to move forward.

The world is changing rapidly. The map we have known for years is being reshaped in front of us. Mexico is not falling behind. Nations are being divided and dissolved, others are beginning to build new institutions, and still others are resisting change and shunning progress. Mexico is changing and maintaining what is most important to us: our identity, our varied and rich culture, our family traditions, and our pride in being Mexican.

We have changed our situation in the international arena. We improved our relationship with foreign markets and debate forums. We took greater advantage of the opportunities offered by this great world transformation. This is why there is greater respect internationally for Mexico's efforts. Our country's outlook on the future has improved.

At home our extensive reform process is advancing. My weekly working tours throughout the Republic have allowed me to keep in touch with many of you without obstacles or intermediaries in the capital or the country's states and regions. I have listened to your demands and aspirations and the mandate to change our way of doing things. I have understood your demand that each government reply should be an honest one and accompanied by action.

This is why we are reforming the state. We are selling state owned companies to support social works being implemented by an increasingly just and supportive government. We have offered greater freedom in social initiatives. We are advancing in the protection of human rights. We will act more vigorously to guarantee the safety of citizens and families.

We have established more clear and honest rules in the relationship between the state and the church. A heritage of prohibitions that came with our revolution, appropriate for those times, became an anachronistic and restrictive legacy as time passed in a country that needs and demands greater liberty in its efforts to coexist.

We advanced our economic reform. We moved from an overly indebted and unbalanced economy to one that is growing in a disciplined and healthy manner. For the first time in decades, in 1992, the government will not have a deficit in spending but a surplus. In this way, the government will not be part of the problem but part of the solution to Mexico's financial challenge.

The results are evident. In 1989, 1990, and 1991, the Mexican economy grew at nearly twice the rate of population growth. In 1992, this stable growth will continue. We ceased to be one of the world's most closed economies and are now one of its most open. We freed producers from the bureaucratic obstacles of protectionism and consumers from their captive market status. We took the initiative of negotiating free trade agreements with several countries.

Together with the United States and Canada, we are moving ahead to sign a free trade treaty so we will form part of the world's greatest economic area—North America. This will allow us in Mexico to create more sources of employment and to grow faster.

We have also made progress in social reform. Only by fighting against poverty and unequal opportunity will we promote justice and sovereignty throughout the country. That is why we have the National Program of Solidarity, which now has more resources. Thousands of small works that the community wants, guards, and manages with the support of the government solve great needs. Solidarity means good hospitals and schools, (?land deeds), potable water, electricity, and other services. However, there is more to it.

Each work of solidarity shows a new manner of organization and of joining to make democracy in the lives of the community and the people. Solidarity creates the new social and moral aspects that Mexicans are demanding. In other words, a democratic reform of the people to put an end to poverty.

We have started a major agrarian reform [reforma campesina]. After many years of crisis in the rural areas, we have encouraged new agrarian reform by the farmers themselves, done by them, and for them. It is a reform with two great instruments. The first one changes Article 27 of the Constitution to provide security and more freedom for the farmers so they will be able to decide themselves what they want to do with their land. The second one provides more resources to develop production and improve the lives of farmers. In that manner, we will soon see Mexico's rural areas become stronger and renewed.

The modernization of education is a most important reform, not only now but for many decades to come. We are going to meet the expectations of all families who want schools to prepare and train effectively the students for working, freedom, democracy, and love of the fatherland.

I am very aware of the fact that pollution is a problem affecting our well being, particularly the health of our

children, and this—of course—worries mothers very much. The state assumes its responsibility to protect the environment. This is a commitment to defend what belongs to us all: The air, the rivers, the seas, and the areas where our children grow. We must all participate in this commitment.

Fellow countrymen: In these three years, we have undertaken a broad reform. Together we have a great task ahead in 1992. The Mexicans and everyone in the world are in a hurry, and that is why we must carefully move ahead. We want to modernize things, but not at the cost of internal disputes. That is why we cannot promise quick changes or immediate improvements. We have been through a profound economic crisis, and we have not all recovered from it.

Nonetheless, we have built a new reality that opens the path for recovery for the first time in 15 years. This year, we expect inflation will not extend beyond 10 percent, and we hope—step by step—to return to the standards of living the crisis took from us. Our recovery is not yet reflected in the everyday life of many Mexicans. This is what worries me most, and what consumes most of my time. Cleaning up our economy and directly supporting the communities will allow that recovery to reflect more in your well being every day.

If we stay on this path, I am sure that all families will harvest the fruits of their own efforts. To make this a reality, each one will have to work and study better. There is no small task or minor contribution in the new Mexican prosperity. We will have to work more but now with a better future ahead.

I promise to redouble efforts, work for all, and to work more for those who have less. The government will serve you better, as you demand and deserve. May the love of our great nation, the pride shared with Mexico, be the driving force that shows us the path and makes your wishes come true.

May the year that has just begun bring good health and welfare to each family and harmony and work to the country.

This new stage of change is a worthy effort for Mexico and I am sure of our achievements. We want each of us to live in tranquility, to feel safe, to find protection and service from the authorities in our daily lives, and to have the means to enforce our rights. With enthusiasm, we can give our lives a better future. Let us give our children the security of a better and fuller life in freedom, solidarity, and greater happiness.

Those are the wishes of me and my family for all of you in 1992, which has just begun.

Much happiness to you and thank you again for allowing me to enter your homes.

Good night.

Attendance at Salvadoran Peace Accord Signing

PA0601040292 Mexico City NOTIMEX in Spanish 0219 GMT 6 Jan 92

[Text] Mexico City, 5 Jan (NOTIMEX)—It was learned on 5 January that Colombian President Cesar Gaviria, Venezuelan President Carlos Andres Perez, Mexican President Carlos Salinas, and Spanish Prime Minister Felipe Gonzalez will attend the signing of the peace agreement between the Salvadoran Government and guerrillas.

The Mexican Presidency announced that the Salvadoran Government and the Farabundo Marti National Liberation Front (FMLN) will sign in Mexico the peace agreements reached at UN Headquarters on 31 December.

The Presidency stressed that the Mexican Government views with special approval the preparations that Salvadoran President Alfredo Cristiani's administration is undertaking for the 16 January ceremony.

It stressed the importance of the presence of the Group of Friends of former UN Secretary General Javier Perez de Cuellar (Mexico, Spain, Venezuela, and Colombia). This group played an active role in the negotiations to attain peace in El Salvador.

The Presidency indicated that the Central American presidents, UN Secretary General Butrus Ghali, former UN Secretary General Javier Perez de Cuellar, and a high level U.S. Government representative have also been invited to the ceremony.

New Education Secretary; Two Secretariats Merge

PA0901175092 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 8 Jan 92

[Text] The rumors have been confirmed. Ernesto Zedillo Ponce de Leon today is the new public education secretary. He was sworn in on 7 January by Secretary of Government Fernando Gutierrez Barrios.

There was another important official announcement made on 7 January. It was first made by the president, and then in an official bulletin issued by the National Media Directorate of the Presidency. The bulletin announced the merging of the Secretariats of Planning and Budget and Finance and Public Credit. According to economic and political experts, the purpose of this merger is to consolidate the government's economic policy and return to the previous scheme that existed prior to 1976, when the Secretariat of Planning and Budget was created by former President Jose Lopez Portillo.

Finance Secretary Pedro Aspe Armella will be in charge of both secretariats.

El Salvador

Army Says 12 Rebels Killed in Heavy Fighting

PA0901162992 Paris AFP in Spanish 1555 GMT 9 Jan 92

[Text] San Salvador, 9 Jan (AFP)—One week after the signing of a cease-fire in El Salvador, the Army reported 9 January that it killed 12 guerrillas and injured 16 in heavy fighting in northern El Salvador on 8 January.

The Armed Forces Press Committee (Coprefa) stated that 10 rebels were killed and 16 were injured in fighting with government troops. The troops discovered them when the guerrillas were moving between San Jose Cascasque and Potonico, in Chalatenango Department, approximately 85 km north of San Salvador.

Coprefa reported that the Farabundo Marti National Liberation Front (FMLN) guerrillas were trying to reach the Cerron Grande hydroelectric plant, which has been the target of previous rebel attacks.

This is the heaviest fighting in El Salvador since 1 January when the government and the FMLN signed a preliminary cease-fire agreement that will be made official 16 January in Mexico and will be in effect beginning 1 February.

Coprefa added that two other guerrillas were killed in two minor clashes in La Laguna and San Antonio Los Ranchos, in Chalatenango Department.

FMLN Issues 'Manifesto II to the Nation'

PA0901193092 San Salvador DIARIO LATINO in Spanish 7 Jan 92 p 5

["Manifesto II to the Nation" issued by the Farabundo Marti National Liberation Front, FMLN, in El Salvador on 6 January]

[Text] Salvadorans:

The definitive agreements reached in the last round of negotiations in New York City mark the birth of a new nation. Victory belongs to all of the Salvadoran people.

At this time, we remember the thousands of Salvadorans who died throughout the struggle to attain democracy, peace, and social justice. The blood shed so generously and heroically by thousands of our comrade fighters, by the workers massacred in the streets, and by activists of democratic political parties has not been in vain.

We remember the thousands of missing persons, the mothers of the dead, the refugees, and the displaced people. Today we are reaping the fruits of that sacrifice. We have laid the foundations for a new republic. The long night of the death squads is ending. Democracy is dawning in our country.

The struggle for the consolidation of the process is now up to all of the social, democratic, and popular forces. We are at the beginning of a new era.

The agreements signed in New York mean:

—The transformation of Armed Forces that have historically maintained a totalitarian power much above civilian society and a new concept of public security. Therefore, the preeminence of civilian society has been achieved.

—The new concept of public security, as expressed in the creation of the National Civilian Police with pluralist participation, including that of the FMLN [Farabundo Marti National Liberation Front], and the agreements on human rights guarantee the end of illegal arrests, tortures, and forced disappearances. In other words, the repressive forces are eliminated and a new instrument is created to guarantee the security of the entire society. There will be no room in the new professional and modern police for the barbarity and savagery of the past.

—Constitutional reforms that modernize the electoral and judicial systems. The reforms are the constitutional seal for the great changes in the country.

—Foundations have been established for the democratization of agricultural land ownership. A forum for economic and social concerted efforts will be created with equal participation by the government, labor, and management sectors.

—Foundations have been established for full participation, under equal conditions, for all political parties. The FMLN will have legally recognized communications media and the doors have been opened for the emergence of new media.

—The creation of the National Commission for the Consolidation of Peace, Copaz, with the equitable participation of the government, the FMLN, and the political parties represented in the Legislative Assembly. Copaz is the main instrument for the verification and fulfillment of the agreements. Copaz also guarantees the civilian society's participation in the process of changes.

That nation that had been intimidated by the power of the military sector and marked by impunity and lack of democracy will be left behind.

Salvadorans:

It is time for the unity of all democratic forces. It is the time for a resolute struggle for the implementation of the agreements reached in New York. The fact that peace will be definitive, that democracy will take root forever, and that social justice will prevail in our country will depend on the unity of the people, a unity that has made this historic victory possible.

A new nation has been born. Let us all struggle so it will begin to grow and never stop growing.

Eternal Glory to the Martyrs and Heroes
Long Live the Salvadoran People

In War and In Peace, United to Fight until the Final Victory

[Signed] FMLN
[Dated] 6 January 1992

Nicaragua

Recontra Commander Seriously Wounded in Ambush

PA0901234492 Managua Radio Corporacion in Spanish 2237 GMT 9 Jan 92

[Text] Commander Encarnacion Valdivia, alias El Tigrillo, has been seriously wounded and is receiving medical treatment at La Trinidad Hospital, Esteli. Valdivia suffered a perforated lung and was also shot in the leg.

We have received this report from La Trinidad. El Tigrillo and a group of Nicaraguan Resistance [RN] commanders were ambushed as they were returning from Managua, where they had been holding talks with President Violeta Chamorro and Government Minister Carlos Hurtado Cabrera. It is believed that reports of El Tigrillo's departure were sent from Managua to La Trinidad. They were ambushed in an area known as La Laguna. The ambush was carried out by the recompas and has unleashed a wave of protests because the government has not been able to ensure the safety of former RN members.

El Indomable [Jose Angel Moran Flores] and Commander Rojito have announced that war actions have resumed in Jinotega and Chontales. The ambush against El Tigrillo could unleash a series of war actions throughout Esteli Department.

Government Condemns Attack

PA1001024692 Panama City ACAN in Spanish 0132 GMT 10 Jan 92

[Text] Managua, 9 Jan (ACAN-EFE)—On 9 January, the Nicaraguan Government "strongly" condemned the "criminal attack against the vehicle in which the heads of the general staff of the former "contras"—who have now rearmed and are in the northern sector of the country—were traveling. One former contra was killed and two were wounded during the attack.

A communique issued by the Government Ministry confirms that the ambush was carried out by "alleged armed Sandinists," called "recompas," on 8 January near the town of La Trinidad, 120 km north of Managua. The recontra leaders were on their way to a recontra camp.

"Recontra" leader Leonel Benavides Castillo, Commander "Freddy," was killed in the ambush and Encarnacion Valdivia, "El Tigrillo," and Jacinto Tercero, known as "Campeon," were seriously wounded. Three women who were traveling in the vehicle and who have been identified as Kenia, Oneida, and Mirna, were also wounded.

"The people responsible for this action are intentionally provoking armed confrontations," that could once again bring sorrow to the Nicaraguan people, the communique states. It adds that such actions go against the policy of reconciliation and dialogue with the armed groups that the government is promoting.

The Government Ministry communique also announces that Police Commander Javier Lopez had been sent to the northern sector of the country to investigate and clarify "the incident and let the full force of the law fall on those responsible."

Chamorro Dismisses Foreign Minister, Bank Head

PA1001011292 Paris AFP in Spanish 0010 GMT 10 Jan 92

[Excerpts] Managua, 9 Jan (AFP)—Nicaraguan President Violeta Chamorro on 9 January announced the reshuffling of her cabinet with the dismissal of Foreign Minister Enrique Dreyfus and Central Bank President Raul Lacayo.

Chamorro maintained controversial General Humberto Ortega, whose dismissal from the post of Army chief has been persistently demanded by leaders of the ruling National Opposition Unity. [passage omitted]

Unofficially it was reported that former Foreign Minister Dreyfus, who did not attend the ceremony, will be assigned to a diplomatic post in Europe. [passage omitted]

Chamorro Addresses Newly Appointed Officials

PA0901231092 Managua Radio Nicaragua Network in Spanish 2159 GMT 9 Jan 92

[Speech by President Violeta Barrios de Chamorro at the Presidential Palace in Managua—live]

[Text] I have summoned you here this afternoon, as we commemorate the first year of my constitutional term, to announce the appointments of—and swear in—the people who will accompany us in the government effective today. I want to use the occasion to address you. First of all, I want to state my thanks and my deep gratitude to all the people who have been working under my mandate since I was sworn in. That includes both those who leave their posts and those who stay.

Although controversies have arisen and there is much speculation about the new government team, the changes within the Cabinet are normal in a democratic system like the one we are experiencing in Nicaragua. I am sure that I have chosen well, based on the patriotism, capability, efficiency, and honesty of the people appointed to occupy various government posts. Being a member of my Cabinet implies many sacrifices, hard work, great humility, and a vocation to serve our people. The Cabinet members must carry out their work with honesty, efficiency, and a love for the homeland.

Effective today, you must act as my assistants and secretaries in the different branches of public administration, so that we can consolidate our country's reconciliation, peace, democracy, economic development, and social justice. You and I will implement the government program for which the Nicaraguan people cast their ballots on 25 February 1990. A few moments ago you pledged to abide by and enforce the laws of this country, and under no circumstances should you use your posts to illegally acquire riches using the government protection for your benefit.

Referring to that, we will always... [pauses] I will firmly deal with public officials who are guilty of corruption, because the humble and hard-working people suffer the consequences. We are pledged to work tirelessly for the people, the only owners of the state's assets.

It is also appropriate to emphasize that we must strengthen fraternal solidarity and teamwork among ourselves in 1992. We will thus be more efficient and fulfill the goals we strive to attain. Teamwork is strengthened when working in a coordinated manner, and it is essential to implement Decree 1-90, Article Three of which states that the Ministry of the Presidency will serve as liaison between the president and the members of the Cabinet, presidents or directors of autonomous agencies, as well as other authorities and public officials.

The Presidency will also appoint a secretary general in each of the ministries and other government agencies so that they may operate even better. That person will be appointed as provisional replacement during the joint absence of the minister and deputy minister—or director and assistant director of each state agency.

We must start our economic growth in 1992 to lower unemployment. We must likewise strengthen respect for civilian and military authorities, and for the law, to develop a legal state. On this occasion I ask God to enlighten us and bless us all—both the government and the people—so that we may bequeath our children the dignified, prosperous, and just homeland we all want. Thank you very much, my dear friends and my boys. [applause]

New Officials Listed

PA0901223892 Managua Radio Nicaragua Network in Spanish 2144 GMT 9 Jan 92

[Government announcement read by (Tomas de la Ley), director of legal affairs of the Presidency, from the Presidential Palace in Managua—live]

[Text] First, I will read the names of the Cabinet ministers:

Minister of the Presidency	Antonio Lacayo
Deputy Minister of the Presidency	Jose Adan Guerra
Deputy Minister of the Presidency	Alejandro Bolanos
Ministry of Foreign Affairs	Ernesto Leal
Deputy Minister of Foreign Affairs	Jose Pallais
Minister of Government	Carlos Hurtado
Deputy Minister of Government	Alfredo Mendieta
Minister of Finance	Emilio Pereira
Deputy Minister of Finance	Leonel Rodriguez
Deputy Minister of Finance	Marta Palacios
Minister of Economy and Development	Julio Cardenas
Deputy Minister of Economy and Development	Pablo Pereira
Minister of Foreign Cooperation	Erwin Krugger
Deputy Minister of Foreign Cooperation	Roberto Baca
Deputy Minister of Foreign Cooperation	Sergio Mario Blandon
Minister of Agriculture and Livestock	Roberto Rondon
Deputy Minister of Agriculture and Livestock	Jorge Granera
Minister of Construction and Transportation	Jaime Icabalceta
Deputy Minister of Construction and Transportation	Raul Leclaire
Minister of Education	Humberto Belli
Deputy Minister of Education	Hortensia Rivas
Health Minister	Ernesto Salmeron
Deputy Minister of Health	Douglas Soza
Deputy Minister of Health	Luis Eduardo Gutierrez Quant
Minister of Labor	Francisco Rosales
Deputy Minister of Labor	Mario Garache

Those were the names of the cabinet members.

Now I will read the names of the directors of the autonomous institutes and other organizations of the Executive Branch.

Central Bank of Nicaragua:	Silvio De Franco, president
	Ricardo Barrios, vice president
Nicaraguan Telecommunications and Postal Services Institute:	Pablo Vigil, director
	Rolando Rivas, deputy director
Nicaraguan Institute of Energy:	Emilio Rappaccioli, minister-director
	Jose Ley, deputy minister-director
	Otto Schaffer, deputy minister-director
Nicaraguan Water and Sewage Institute:	Roger Mendieta, director
	Carlos Espinosa, deputy director
Nicaraguan Social Security and Welfare Institute:	Simeon Rizo, president
	(Oscar Castano), vice president
Nicaraguan Insurance and Reinsurance Institute:	Jose Cuadra, president
	(Horacio Baules), vice president
	Roberto Canton, vice president
Nicaraguan Institute of Municipal Development:	Santiago Rivas, president
	director to be appointed later
Nicaraguan Agrarian Reform Institute:	Gustavo Tablada, director
	Rene Ruiz Matos, deputy director
Nicaraguan Natural Resources and Environment Institute:	Jaime Incer, director general
	Patricio Jerez, deputy director general
Nicaraguan Institute for the Development of the Autonomous Regions:	Brooklyn Rivera, director
	(Owen Boto), deputy director
Nicaraguan Institute of Culture:	(Hilario Ramirez Espinosa), director
	Pierre Pierson, deputy director
Nicaraguan Institute of Tourism:	Alvaro Chamorro, director
	Bayardo Garcia, deputy director
Nicaraguan Institute of Sports:	Carlos Garcia, director
	Sucre Frech, deputy director
National Institute of Technology:	(Sofonias Cicleros), president
	(Josefina Chevers), vice president
Nicaraguan Women's Institute:	Carmen Cecilia Narvaez, executive director
	Auxiliadora de Matus, deputy executive director
National Corporations of the Public Sector General Board:	(Daycon Faldera), president
	Ernesto Valladares, vice president
	Noel Vidaurre, secretary
Emergency Social Investment Fund:	(Pablo Bayon), president of the administration council
	Carlos Noguera, executive director
Office of the Attorney General:	Guillermo Vargas, attorney general
	Maria Francis Blandon, deputy attorney general
Superintendency of Banks and other financial institutions:	Angel Navarro, superintendent
	Danilo Chavarria, deputy superintendent
Office of the Comptroller General:	Guillermo Potoy, comptroller
	Jose Zapata, deputy comptroller
Director of Public Relations and official spokesman for the Presidency:	Danilo Lacayo

Office of Information and Press of the Presidency:	Ernesto Robleto, director
	Frank Arana, deputy director

Panama

Bomb Explodes Near Planning Ministry Offices

PA0901125592 Panama City Circuito RPC Radio in Spanish 1205 GMT 9 Jan 92

[Text] A bomb explosion shook Panama's city center at 0540 [1040 GMT]. Police sources confirmed that it was an explosive device placed in the area where the offices of Guillermo Ford, second vice president and planning minister, are located. They added that for the time being, they have no other details.

Meanwhile, an anonymous telephone call to RPC Radio indicated that the M-20 [20 December Movement], an alleged subversive paramilitary group that emerged after the 20 December 1989 invasion, was responsible for the action. We now have a report from Julio Alfaro from the Planning Ministry. Go ahead, Julio:

[Alfaro] We are on Espana Avenue. The explosive device went off at exactly 0540 on the fourth floor of the building where the Planning Ministry offices are located. The offices of the planning minister are located on the third floor. The explosive device damaged the fourth floor.

There are a large number of National Police, Institutional Protection Service, and Fire Department members present. The fire fighters are the only ones who have access to the site of the explosion. They are evaluating the damage to the offices. Guillermo Ford, planning and economic policy minister; Deputy Minister Bolivar Pariente; and other officials have not arrived at the site yet.

Some observers noted that the explosion occurred today, 9 January, when the country is marking the 28th anniversary of the 9 January 1964 clashes between Panama and the United States. The M-20 has claimed responsibility for the action.

Traffic in the area is normal. Some security measures have been taken at the front of the building housing the Planning and Economic Policy Ministry, but traffic is normal. Businesses are closed today because this is a holiday marking a day of mourning. Bus, taxi, and private vehicle traffic is normal on Espana Avenue.

RPC Radio spoke briefly with Lieutenant Soto of the National Police. He gave us some details of the incident:

[Begin recording] [Soto] [Words indistinct] gathering evidence. I have nothing further to comment.

[Reporter] [Words indistinct]?

[Soto] They supposedly made a call to a local station claiming responsibility. [end recording]

This was the only statement we could obtain from the authorities at the site of the explosion. RPC Radio received a telephone call from an individual identifying himself as an M-20 member. He said M- 20 was responsible for the attack.

We repeat: The explosive device went off on the fourth floor of the building housing the Planning and Economic Policy Ministry. The minister's office is located on the third floor. According to an investigation by the Fire Department Security Office, the minister's offices did not sustain much damage. The fourth floor was damaged. Traffic on Espana Avenue is normal. A security cordon has been set up in the area of El Cangrejo neighborhood.

Ford Deplores Bombing

PA0901161192 Panama City Circuito RPC Radio in Spanish 1500 GMT 7 Jan 92

[Report by Julio Alfaro—monitored in progress]

[Text] ...the first official reaction to an explosion at the Planning Ministry on Via Espana at 0540 today. Minister Guillermo Ford deplored the incident, describing it as shameful. Ford said he has not received any threats. He added, however, that vigorous measures will be taken against any person caught perpetrating actions disrupting public order. This is an excerpt of Ford's remarks after visiting the area of the explosion early this morning.

[Begin Ford recording] Such a shameful action perpetrated on a day like this is not the actions of good Panamanians. I urge these groups to let the community live with a certain degree of tranquillity. We will, however, apply strong measures. I have instructed my bodyguards to shoot at armed men who open fire. We intend to put an end to this problem once and for all. [end recording]

Minister Ford expressed confidence that this event will enable the people ponder how such subversive actions affect the present democratic system. Ford asserted that the events to commemorate the 9 January anniversary and this morning's explosion at the Planning Ministry will serve to create awareness in those who desire to preserve the country's democratic institutions and create a consensus in our national life.

[Begin Ford recording] [Words indistinct] I think this country desires peace and tranquillity. Panamanian society and the entire country demand peace. We cannot stop that feeling. [end recording]

The investigation of the incident continues to determine both the damage caused by the explosion and the identity of those responsible for the action. As we said earlier, a person identifying himself as a member of the M-20 Movement claimed responsibility for the attack during a phone call. We still do not have an official report from the National Police Investigations Division. We will keep looking for further reactions to the explosion.

Endara, Chevalier Regret Attack

PA0901171392 Panama City Circuito RPC Radio in Spanish 1610 GMT 9 Jan 92

[Text] President Guillermo Endara has deplored the action that took place in the early hours of 9 January, when a bomb exploded at the offices of the Ministry of Planning and Economic Policy.

President Endara arrived at the Metropolitan Cathedral to attend the ceremonies commemorating the 28th anniversary of the 9 January 1964 incidents. In a statement to national and international media he reacted to the bomb explosion that occurred early this morning at the Ministry of Planning and Economic Policy.

[Begin recording] [Endara] This is a deplorable action. We are investigating it, and I believe that we have good clues. All citizens should repudiate terrorist actions like this that obviously reflect a militaristic mind; such actions should not be allowed to happen again in Panama. I believe that citizens should repudiate such attacks.

[Reporter] Has the president taken any specific action in response to this action?

[Endara] The appropriate government institutions will investigate the incident and punish those responsible. [end recording]

Here is a statement by Government Minister Juan Chevalier, who is in charge of the National Police, the Public Force, and the institutions that will investigate the attack on the Planning Ministry.

[Begin recording] [Reporter] What comments do you have as head of the ministry in charge of implementing justice and preventing such actions?

[Chevalier] I can only say that this was an action by those who do not want peace and tranquility in the country. You can see that. While the government tries to promote national reconciliation and encourage the country's development, some groups attack public buildings. They refuse to accept the fact that they lost the privileges they received from the dictators and murderers that governed our country for 20 years. [end recording]

Pariente Provides Details

PA0901193392 Panama City Telemetro Television Network in Spanish 1740 GMT 9 Jan 92

[Text] The Planning Ministry offices located on Via Espana were the target of an attack at approximately 0552 on 9 January. The attack damaged the offices of the director of public credit and the deputy planning minister.

Some radio stations received anonymous phone calls in which the M-20 [20 December Movement] claimed responsibility for the attack, which was directed at the office of Planning Minister Guillermo Ford.

A disposable RPG-18 rocket was launched from the Atmosfera store from a distance of 300 meters. It destroyed the buildings, without injuring anyone. The windows of the store shattered from the impact of the explosion.

Members of the National Police of Area C in San Franciso, the Investigations Directorate, and the Judicial Technical Police arrived at the scene along with Southern Command units.

Deputy Planning Minister Bolivar Pariente gave details of the attack, which occurred early this morning.

[Begin recording] [Pariente] An RPG-18 made in East Germany was launched from a distance of approximately 500 meters [as heard] from the Atmosfera store. The explosion destroyed the offices of the director of public credit, of the coordinator of the economic plan, and of Deputy Planning Minister Bolivar Pariente.

[Unidentified reporter] According to reports, the individuals who launched the rocket are experts who knew what they were doing.

[Pariente] We believe the action was carried out by members of the defunct Defense Forces, because it was a professional job. The rocket was launched by someone who knows to handle this type of device.

[Reporter] Has any organization claimed responsibility for the attack?

[Pariente] There have been calls to Radio Exitosa and RPC Radio from an organization that has claimed responsibility for the action. There have been other attacks. Approximately six months ago a similar rocket was launched at the headquarters of the Arnulfista Party located in Cuba Avenue, and there have been other attacks. The dictatorship left many weapons—short and long range weapons, rockets, grenades—all over the country. Every now and then we see remnants of former dictator Noriega's huge arsenal. It is believed that there are still many weapons and military explosives on the streets.

[Reporter] What sort of action will the government take from now on?

[Pariente] The government has a security plan that is used in incidents like this one. Fortunately, no one was hurt by the explosion. [end recording]

Mass for January 1964 Incident; Endara Comments

PA1001014192 Panama City Circuito RPC Television in Spanish 2300 GMT 9 Jan 92

[Text] The government commemorated the 9 January 1964 incidents with a mass today. The mass was held at the Metropolitan Cathedral amid tight security measures in view of the terrorist attack on the offices of the Planning and Economic Policy Ministry that took place this morning.

The mass was celebrated by Auxiliary Bishop Oscar Mario Brown. Members of the diplomatic corps accredited in Panama, including U.S. Ambassador Deane Hinton, were present. First Vice President Ricardo Arias Calderon, whose Christian Democratic Party opposes the Guillermo Endara administration, was also present.

In brief statements to the national media, President Guillermo Endara condemned the attack on the Planning and Economic Policy Ministry.

[Begin recording] [Endara] It is a military-type action, which we should never allow to return. Citizens must condemn such attacks.

[Reporter] Will any specific action be taken by the president?

[Endara] The appropriate organizations of the republic are in charge of investigating and punishing those responsible for this incident.

[Reporter] Mr. President, what about the Cabinet changes?

[Endara] That is totally absurd. You should not be insisting and talking about it after I have so often denied making any Cabinet changes. I have absolute trust in my cabinet; there will be no changes. Do not persist on that.

[Reporter] Mr. President, what will the government's statement be concerning the incidents involving the U.S. soldiers and the Panamanian police?

[Endara] Not until we learn the truth. There are two versions. We want to make a statement after we learn the truth. [end recording]

Subsequently, President Endara talked about the topics of reconciliation and amnesty.

[Begin recording] [Endara] We are going to allow the people to discuss this in a climate of freedom. I do not believe it to be the decision of one person, but a decision that must be made by an entire people. [end recording]

Argentina

Menem Accuses Radical Deputy of 'Bad Faith'

PY090[illegible]24492 Buenos Aires BUENOS AIRES HERALD in English 9 Jan 92 pp 1, 11

[Text] (DYN-NA)—President Carlos Menem stated yesterday that "there are certain sectors of society that have failed and who are conspiring against Argentina which is growing and changing like never before."

In a press conference offered at the Government House, the President accused Radical Deputy Juan Pablo Baylac of "acting in bad faith" when he testified before Congress over alleged acts of corruption involving Interior Minister Jose Luis Manzano, State Secretary Miguel Angel Vicco and the brothers Emir and Karim Yoma.

Visibly irate, Menem announced that the government "will ask Congress to remove the deputy (Baylac)," contending that "he has already caused the country enough damage."

Baylac, speaking at noontime yesterday on the Ch.11 TV programme Las Olas y el Viento [The Waves and the Wind], did not flinch. "What the President (Carlos Menem) must do is get rid of those Lopez Regas [social welfare minister under Juan Peron] that surround him, like (Miguel Angel) Vicco." The deputy also urged the head of state "to bring before the courts all those who are linked to acts of corruption."

Baylac said he was puzzled by the fierce criticism Menem levied against him: "There are witnesses and substantial accusations, I don't see any reason for him to attack me like this." He added: "I'm surprised at how a democratic man like the President would accuse others in such terms."

The Radical deputy disclosed before Congress last Monday [6 January] alleged irregularities regarding the hiring of a construction company to build 50 compressed gas service stations and, in different ways, linked the "affaire" to Manzano, Vicco and the Yoma brothers.

For his part, the second vice-president of the Justicialist Party, Roberto Garcia, presented yesterday before Solicitor General Aldo Luis Montesano Rebon a request to initiate investigations into Baylac's accusation in which he is implicated.

Stressing that he appealed to the Solicitor General not as a public official but rather "as a concerned citizen," Garcia pointed another angry finger at Baylac.

He is "manipulating public opinion by speaking of a deal of vast proportions, when, in reality, the project began in 1988 and aborted in 1990 plainly due to a lack of financial support from the banks," said Garcia.

In a press communique, Garcia proclaimed that "all of the citizens, and especially the officials, should, on discovering alleged irregularities, go directly to the courts and not stir up journalistic scandals."

Menem, in further statements to reporters at Government House, said he was surprised by Baylac's attitude, and questioned his motives for making his accusation before the courts, and not before Congress.

"This is because his action is not a legal but political matter," considered the President, who urged the Argentine people "not to be swayed by this type of slander."

On the other hand, Baylac emphasized that he made a request for investigations into corruption cases involving government officials "not against Menem, but against corruption and those 'influences' that impede a healthy transformation of Argentina."

The Radical deputy distilled his responsibilities in the issue "to questioning the government, that is all," although he regretted that they would have him convicted for questioning.

Text of Menem's Falkland's Statement Released

PY0901182292 Buenos Aires TELAM in Spanish 1515 GMT 9 Jan 92

[Text] Buenos Aires, 9 Jan (TELAM)—After a cabinet meeting at Government House today, Media Communications Secretary Raul Burzaco released the full text of the statements President Carlos Menem made on 3 January in Pinamar about relations with Great Britain.

Burzaco said the president himself ordered him to retrieve his statements and deliver them to the journalists accredited to Government House. The following is the retrieved text:

[Unidentified reporter] Just one question, Mr. President: You have said that you would like to promote relations with Great Britain through a visit that you are planning to make to that country. Now that we are near the 10th anniversary of the Malvinas war, what is your opinion on the subject?

[Menem] I believe the best way to recover the islands is through this dialogue that we are holding with Great Britain. Much progress was made until 1982 and, well... everything collapsed after the Malvinas war.

The previous government did not want to begin any type of dialogue with Great Britain. We immediately reestablished diplomatic relations. For example, thanks to this dialogue, among other things, the 200-mile exclusion zone around the Malvinas Islands, in which Argentine ships or planes could not operate, now has been reduced to only 15 miles.

We continue to talk, I would say, with the aspiration that not very far in the future we may recover our sovereignty... It is impossible to achieve this objective through war, as we could see 10 years ago.

On the other hand, diplomacy is like the continuation of the war but with other weapons, like dialogue, arbitration—whenever arbitration is possible ..., in one word, it is what we are doing with Chile: A very conflictive zone, with 24 points of conflict along a 5,000-km border, now has been reduced to one single point that has been submitted to arbitration...

We are trying to do the same with Great Britain. I am pretty sure that sooner or later—I do not know when—Argentina will recover the sovereignty of the Malvinas Islands.

PNA Chief Tries To Avert 'Emotional Outbreak'

PY0801222492 Buenos Aires BUENOS AIRES HERALD in English 8 Jan 92 p 13

[Text] (NA)—The top brass of the Coast Guard (PNA) "was forced to exhaust all resources—even to the point of asserting differences in officer ranking—in order to avert an emotional outbreak among its officers" after learning about the restructuring plans announced for the force by Defence Minister Antonio Erman Gonzalez, the outgoing PNA chief, Prefect-National Victor Washington Zibell said in a letter published by the daily AMBITO FINANCIERO yesterday.

Zibell rejected another daily's reports that only retired PNA officers were protesting the ministry move.

Signing the letter together with (also outgoing) Deputy Prefect-National Osvaldo Salomone, Zibell stressed that in order to avert the emotional outbreak of active officers "the decisions for avoiding the dissection of the force were left in the hands of retired officers."

Should active officers have been allowed to take such decisions, he said, "a deliberative state, which is incompatible with a disciplined force like the Coast Guard, would have surfaced."

Zibell underlined that "all PNA officers received the press reports about our beloved force's virtual disintegration amid disbelief, anger and astonishment. [no closing quotation mark as published]

He recalled PNA actions during the December 3, 1990 carapintada [painted face] uprising, saying the latter "was meant to seize the Government House but was thwarted by the courage of PNA men."

With regard to the changes intended to be introduced in the very structure of the PNA, Zibell had tough words for political leaders, claiming that "once again we witness the ineffectiveness of a still infant democratic system, which sometimes allows men in high posts to make decisions, under the advice of certain sectors, which are contrary to existing legislation. The awarding of police powers to an armed force is an example."

Zibell said the decision to allow the Air Force to perform airport security duties in lieu of the Border Guard, as well as "the virtual disappearance of the Coast Guard, sucked by the Navy, are pushing us back in time, to the time when the Armed Forces were in power."

By giving the Armed Forces security police functions, he assured, "a dangerous concentration of power may result."

He also compared the present situation to March 24, 1976, "when another democratically elected (Peronist) government was overthrown by those gaps in democratic life that gathered so many attributes, functions and jurisdictions among the Armed Forces."

Finally, Zibell pointed out that "the day that sound judgement, marked by a wish to generate well-being for the common citizen, becomes the backbone of our political leaders' thinking, we will find that neither an Argentine Medium Tank (TAM), nor an F-16 jet fighter nor a missile-carrying frigate were designed to hunt smugglers nor offenders of the 200-mile border of our exclusive waters."

Government Bodies Granted Police Powers

PY0901230492 Buenos Aires BUENOS AIRES HERALD in English 9 Jan 92 p 3

[Text] (DYN)—Government bodies regulating state enterprises were granted police powers by Economy Minister Domingo Cavallo yesterday in a government bid to create a safe framework for the privatization of public companies.

At a cabinet meeting yesterday, Cavallo stressed "the need to constitute bodies capable of applying efficiently the regulatory framework binding service companies slated for privatization." Cavallo's decision comes a few days after the government rejected a proposition calling for a regulatory framework to be drawn up by Congress.

Sources at the Economy Ministry made no attempt to deny the argument that regulatory bodies have been granted police powers as the government is dissatisfied with the performance of the recently privatized Aerolineas Argentinas and the telephone companies Telefonica de Argentina and Telecom.

Bolivia

Zamora Says Strike 'Absolutely Without Support'

PY0701131092 La Paz Television Boliviana Network in Spanish 0200 GMT 7 Jan 92

[Excerpts] The mobilization and strike sponsored by the Bolivian Labor Federation [COB] did not meet the expectations of the labor leaders because most enterprises and labor areas worked normally.

Information Minister Mario Rueda Pena, accompanied by his monitoring team and 12 journalists from the most important mass media of La Paz, counted the demonstrators who joined the march: The total was 1,253 people. [passage omitted]

Labor Minister Oscar Zamora said that until noon—according to information sent to the minister's office by rural labor directorates—productive activities throughout the country have been normal. The COB-sponsored strike was declared illegal because it was not justified.

[Begin Zamora recording, in progress] ...the 48-hour strike declared illegal by the Labor Ministry—meaning that those who do not work will get no salary. We can say that this is just like the previous COB-sponsored strikes: totally and absolutely without support. [end recording]

Major enterprises like the railway company have worked normally, conforming with their scheduled service. Lloyd Bolivian Airlines worked partially, covering 70 percent of its daily routes to Santa Cruz, Tarija, Cochabamba, Trinidad, and Sucre, and the respective international flights. As could be seen, the banks operated normally in their scheduled work hours, so did the breweries and other major productive sectors. [passage omitted]

Transportation Strike Ends

PY0801132292 La Paz Radio Fides Network in Spanish 1100 GMT 8 Jan 92

[Excerpt] After reaching an agreement with executive branch officials, the transportation sector strike ended at 0000 today. Bus and truck owners, who had gone on an indefinite strike over the fuel price increase, agreed with the government to increase public transportation fares and cargo transportation prices by 15 percent.

After meeting with transportation representatives, Minister of Labor and Labor Development Oscar Zamora voiced satisfaction with the normalization of interdepartmental and interprovincial public transportation services.

[Begin Zamora recording, in progress] ... the executive secretary of the confederation, thus concluding negotiations, along with other topics on which an agreement was reached. I believe the conflict has been solved. The government would like to strictly comply with the agreement that was reached today. [end recording] [passage omitted]

U.S. News Reports on Antidrug Efforts Refuted

PY0801012692 La Paz La Red Panamericana in Spanish 0000 GMT 8 Jan 92

[Excerpt] The government says that U.S. news reports that the antidrug- trafficking struggle in Bolivia did not yield positive results—and that corruption in the Bolivian Armed Forces has been an obstacle in the antidrug plan—lack credibility. Foreign Minister Carlos Iturralde said that the Bolivian Government's efforts in the field of interdiction, coca eradication, alternative development, and the capture of drug traffickers have been praised by U.S. Government authorities and the international community. Therefore, he said, the U.S. news report is not in keeping with the facts. [passage omitted]

Brazil

Collor Charged With Plagiarizing Party Platform

PY1001001292 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Jan 92 p 1

[Text] The articles that President Fernando Collor has been publishing since 5 January in the newspaper FOLHA DE SAO PAULO and in other newspapers are copied from the Brazilian Social-Liberalism Party [Partido do Social Liberalismo Brasileiro—PSLB] that was registered in Brasilia on 23 December. The text of the party platform was published in the DIARIO OFICIAL [Official Newspaper] on 3 April in compliance with the electoral law. The article "Agenda for Consensus" signed by Collor contains several passages that are identical to passages in the PSLB platform. Among the founders of this new party are five relatives of the first lady, Rosane Malta Collor. The top party leader is Ivan Pereira. Presidential Spokesman Claudio Humberto Rosa e Silva said that he does not know about the PSLB's existence or Malta's involvement in it. He added that the president writes the articles himself. About the literal transcriptions, he said they are a "coincidence."

Collor Refutes Charges

PY1001013292 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 9 Jan 92

[Text] The U.S. news agency ASSOCIATED PRESS has released a worldwide report on a series of articles signed by President Collor that contain passages written by the late diplomat and writer Jose Guilherme Merquior [former Brazilian ambassador to UNESCO]. The U.S. news agency report is based on an article published today by the newspaper O GLOBO.

President Collor issued a letter today in which he explains how the series of articles on social-liberalism that are currently being published were drafted.

In the letter, President Collor states that his election campaign was based on clear ideas proposing a path to achieve the country's modernization.

The president says that he has never claimed that these were his own ideas and that, rather, they are in line with formulas that have been successful in other parts of the world.

In the letter, President Collor states that he met Ambassador Jose Guilherme Merquior during the election campaign and they shared common viewpoints on important issues. According to the president, he contacted Ambassador Merquior at the end of 1990 and they started to exchange letters to discuss the drafting of the articles on social-liberalism.

The president states that Ambassador Merquior participated in the drafting of some of the texts of these articles, but, he adds, other assistants also cooperated in drafting these articles.

The president's letter adds that the final draft of the article "Agenda for Consensus," includes the ideas of several assistants, including those of Ambassador Merquior.

The president concludes: By telling these simple stories that lack any mystery, I intend to begin again debates on the arguments of social-liberalism.

Congress Begins Session To Study Welfare Bill

PY1001010492 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 9 Jan 92

[Report by Jorge Vanburg at Congress]

[Excerpts] The National Congress is now beginning an extraordinary session summoned by President Fernando Collor to study the government bill modifying contributions to the welfare system.

To begin the session, Senate Chairman Mauro Benevides read President Collor's message summoning the congressmen to the extraordinary session. Debate on the bill that was given to Congress by Justice Minister Jarbas Passarinho shortly before the beginning of the session began immediately. [passage omitted]

Deputy Ricardo Fiuza stated that in submitting the bill to Congress now, the government is not trying to influence decisions of the courts, nor is it acting hastily because bills on contributions to the welfare system only yield revenues 90 days after they are promulgated. This is why the government must be prepared for the possibility of losing the appeals it has filed before the courts.

* Congress's Dissatisfaction With Collor Detailed

92SM0183A Sao Paulo VEJA in Portuguese 4 Dec 91 pp 24-26

[Text] Collor says that the country will remain in bad shape in 1992, while a poll shows that Congress does not believe the president.

President Fernando Collor is not in the habit of making vain promises at yearend. At the end of last year, when he was asked about the economic prospects for 1991, Collor was explicit, saying that he wished everyone "a 1991 that I would not call gray and I would not call colorful, but a 1991 that is bearable." The year just ending was more gray than colorful, and now that it is coming to a close, it is possible to say that it was bearable. Last week, when a group of reporters tried to find out if the president was expecting 1992 to be more bearable than the year just ending, Collor reacted in the same tone. "We are going to root for it to be so, but I would count on seeing light at the end of the tunnel in 1993." Collor's realism is encouraging in an administration that took office announcing that inflation had been wiped out and promised to raise the minimum wage to $369 by the end of its term. The bad news is that 1992 will be a dark year.

Minister Marcilio Marques Moreira's economic team has calculations indicating that the turbulence may not last even that long and that the end of the tunnel will be visible in the second half of 1992. Being cautious, Collor preferred not to go out on a limb. If everything goes well, he will fire some early rockets at the end of 1992. If everything goes wrong, he will be able to remind us of his announcement that the darkness would last longer. But the end of the political year in Brasilia arrived with some very bad news for the administration, and that news is from the National Congress. As a result of the most exhaustive survey ever conducted among Brazilian congressmen—406 of the 584 deputies and senators present were interviewed, and the sampling took into account both the distribution of parties in Congress and their specific weight in each region of the country—the Sao Paulo Institute of Economic and Political Studies (IDESP) is announcing that the administration is facing a long stretch of political rough road.

Should the state intervene less in the economy?

Answer	Total	PFL	PDS	PRN	PTB	PMDB*	PDT**	PT***	PSDB
No	7	2	0	5	10	4	14	27	3
Within limits	25	10	14	10	14	22	56	54	36
Yes	67	89	86	80	76	73	30	17	60

* Brazilian Democratic Movement Party

** Democratic Worker's Party

*** Workers Party

Should the restrictions on foreign investment in Brazil be reduced?

Answer	Total	PFL	PDS	PRN	PTB	PMDB	PDT	PT	PSDB
No	24	19	24	24	24	20	20	30	18
Within limits	27	10	24	5	14	33	45	60	33
Yes	48	72	52	71	62	45	19	10	48

Political nightmare: What the IDESP shows is an administration in a state of political ruin. The figures from the IDESP reveal that Collor is even less popular with congressmen than he is with the ordinary citizens who, in one form or another, are struggling with the major consequences of his acts of government. According to the poll, only 6 percent describe Collor's management as "good or excellent," while 58 percent consider it "bad or very bad." Collor's popularity is down even in the PRN [National Reconstruction Party]—the party he invented in order to run for president. Even there, in the party that tries to operate in the image and likeness of its patron, only 48 percent of those polled have a clearly favorable opinion of the administration. In another government-supporting party—the PFL [Liberal Front Party]—only 3 percent of the congressmen describe the administration as "good," and none of them gives it the top rating. "That proves that the PFL is getting better," says Deputy Luis Eduado Magalhaes of Bahia, leader of the PFL bloc in the Chamber of Deputies, ironically. "No one in the PFL considers the administration excellent." (See the accompanying tables showing the IDESP's main results).

Should government employees have job security?

Answer	Total	PFL	PDS	PRN	PTB	PMDB	PDT	PT	PSDB
Yes	13	19	7	10	3	14	11	20	15
No	19	16	14	38	28	21	6	0	6
Only if hired by examination	59	57	72	38	55	53	81	73	70

"The main conclusion to be drawn from the survey is not that the administration is having problems with its economic plan," says political scientist Bolivar Lamounier of the IDESP. "What is clear is its difficulty in taking political action." Congress is criticized as being a stronghold of anachronism in economic matters, but the survey proves that there are changes in that area. The congressmen continue to worship sacred cows such as Petrobras [Brazilian Petroleum Corporation], with 66 percent of them feeling that its monopoly must be maintained in one form or another. And 59 percent insist on job security for government employees hired through competitive examinations, while another 13 percent want to keep all of them on the payroll—including the relatives hired by the Malta family. But it is obvious that the Congress of 1991 marks a change in comparison with the Constituent Assembly of 1988. In varying degrees, 75 percent of Congress considers it necessary to reduce the restrictions on foreign investment, and no fewer than 82 percent want Brazil to establish a closer relationship with the United States.

Assessment of Collor Administration's Performance

Answer	Total	PFL	PDS	PRN	PTB	PMDB	PDT	PT	PSDB
Excellent/good	6	3	4	48	14	0	3	0	0
So-so	35	66	68	48	36	17	11	3	21
Bad/very bad	58	28	29	5	50	81	83	96	78

President's Personal Style

Answer	Total	PFL	PDS	PRN	PTB	PMDB	PDT	PT	PSDB
Excellent/good	20	31	21	62	25	9	11	7	9
So-so	25	36	45	24	36	24	22	0	15
Bad/very bad	52	31	31	15	39	62	64	90	75

Ironically, a good share of the administration's political nightmare begins at home, in that quadrilateral of acronyms which consists of the PRN, the PFL, the PTB [Brazilian Labor Party], and the PDS [Social Democratic Party] and which daily supports Planalto Palace. On average, 69 percent of the congressmen feel that Planalto Palace is cultivating a poor or very poor relationship with Congress. In the government-supporting parties, that opinion is shared by 64 percent of the PFL's members, 52 percent of the PDS's members, and 55 percent of the PTB. Only in the PRN is the administration's action approved by the majority. Concerning the possibility that Planalto Palace will be able to increase its political muscle by some weight lifting in the form of a broader coalition, a plan which the administration frequently talks about, IDESP reports that fewer than 10 percent of the congressmen, including those in the four government-supporting parties, seriously believe in that possibility. The same is true of another possibility: that Collor will try to fatten up his administration by direct appeals for a mobilization of the people.

Does the president have a chance of forming a coalition government to broaden his base in Congress?

Answer	Total	PFL	PDS	PRN	PTB	PMDB	PDT	PT	PSDB
No	21	13	28	19	10	22	31	33	18
Within limits	55	55	49	43	58	55	58	67	48
Yes	24	31	24	34	31	22	12	0	33

Would the president be able to mobilize the people on the basis of his personal popularity?

Answer	Total	PFL	PDS	PRN	PTB	PMDB	PDT	PT	PSDB
No	42	29	21	24	34	46	58	77	45
Within limits	46	60	62	43	52	46	33	20	51
Yes	10	11	14	29	13	8	8	3	3

That tangle of difficulties comprises a highly varied lot of issues. "Half the congressmen saying that the administration is bad or very bad are part of the co-opted bloc," says Senator Fernando Henrique Cardoso (PSDB [Brazilian Social Democracy Party], Sao Paulo). "What they are dissatisfied with in fact is possible blunders in the administration's policy of 'you scratch my back and I'll scratch yours.'" In the opinion of Minister of Infrastructure Joao Santana, it has become a sort of national mania to talk about a crisis in the administration's relations with Congress. Santana admits that difficulties exist, but he points out that every time they have been called on to vote, the congressmen have voted for the administration—not only when the parliamentary system was turned into mincemeat but also last week, when Collor's vetoes of the wage policy were negotiated into a form that satisfied Planalto Palace. "In a system like ours, there is no halfway point," says Santana. "If the administration is doing badly, its relations with Congress are difficult. But all the administration has to do is show practical results—such as lowering inflation—and things improve." The minister is correct. The problem is that the administration overcomes its obstacles in Congress higgledy-piggledy, and when the confusion is over, no one knows exactly what has been gained. The funeral of the parliamentary system, for example, has relieved the administration of the need for a campaign that might have backed Collor into a corner. But so far, it has not been shown that the country is better off as a result.

Another aspect has to do with operations. Take, for example, the 9 o'clock meeting at Planalto Palace, which serves as the administration's nervous system. Enjoying an assured spot in that daily meeting is Ambassador Marcos Coimbra, secretary general of the Presidency and Collor's brother-in-law. Coimbra is a refined intellectual who can engage in familiar discourse about episodes in antiquity but tends to snooze in the middle of cabinet meetings. General Agenor de Carvalho, chief of the Military Household, was an obscure officer in his own branch of the service, and from time to time he expends his energies defending uniformed interests in the administration. Last week, Agenor wanted to extract some additional funds from Marcilio so the Army could award a new contract for the purchase of uniforms. Company administrator Pedro Paulo Leoni Ramos, head of the SAE [Secretariat of Strategic Affairs] (formerly the SNI [National Intelligence Service]), cultivates an obsessive liking for the electronic gewgaws used for wiretapping. Minister of Justice Jarbas Passarinho is showing less and less zeal in keeping up with legal matters and less talent in accomplishing his main task in the administration, which is political coordination. Every Monday, Passarinho is in the habit of calling a meeting of what he calls the administration's "political command" to discuss matters of the moment. It is a meeting which normally takes place without the president's presence. Two weeks ago, Collor appeared at the meeting and took charge. "The president has decided to take command of the administration's political actions," says one adviser. It is a formula which might work—if Collor were not a politician who detests talking to other politicians and lacks the patience to listen to other people's demands.

Collor's relations with Congress

Answer	Total	PFL	PDS	PRN	PTB	PMDB	PDT	PT	PSDB
Excellent/good	4	8	7	10	3	3	6	0	3
So-so	26	28	41	48	41	23	25	0	33
Bad/very bad	69	64	52	43	55	72	70	100	63

Calling in Gros: There is also a public disaster in the cabinet. Collor is keeping one minister who is a member of the living dead: Antonio Rogerio Magri. He also has a knickknack named Margarida Procopio as minister of social action. Until a week ago, the administration had a rising star in the minister of health, Alceni Guerra, who was in charge of handling Planalto Palace's most beloved project in the social area: the CIACS [Integrated Centers for Assistance to Children]. Last Friday, Alceni publicly announced cancellation of an 18-billion-cruzeiro contract with a firm in Parana (the minister's home state) that was going to manage the setting up of CIACS throughout the country. It would have been a opportune

measure except for a number of unfortunate circumstances. The contract had been signed without going through the bidding process, and it was canceled only after the matter had hit the newspaper headlines and the Federal Court of Accounts itself had announced that it was going to investigate the deal. The administration also needs to decide what it is going to do with the leader of the PRN, Cleto Falcao, a deputy who prides himself on earning 4 million cruzeiros per month and spending 15 million thanks to his "friends in business."

In these galloping developments, the same Collor who wins votes in Congress and even managed to keep things calm in financial circles following the black Tuesday on which the dollar was pegged at 1,000 cruzeiros is facing the drama of presiding over an administration incapable of saying where it is headed. More ambitious and less organized than his predecessor Jose Sarney, Collor is announcing light at the end of the tunnel at a time when his liabilities are about the same as those that Figueiredo had. The Figueiredo administration also lost no crucial votes in Congress, and even when confronted by the campaign for direct elections, the government bloc managed to guarantee the succession through the Electoral College. We all know how that administration ended. Collor has one asset which Figueiredo lacked, and that is that he was elected directly, but the question that remains is how he will be able to guide his administration into a more enlightened phase. When in difficulty, Figueiredo threatened to "call in Pires," meaning his minister of army, Walter Pires. The year 1991 was a bad one, and who knows whether 1993 will be any better. But Collor is entering 1992 with only one recourse for governing. "The administration is so isolated and so incapable of negotiating that instead of calling in Pires, it is now calling in Gros," says Bolivar Lamounier in a reference to Francisco Gros, president of the Central Bank. "They used to manipulate tanks. Now it's interest rates. Those are the only two steps that a government can take on its own."

* Cabrera Forecasts Larger 1992 Grain Harvest

92SM0182C Sao Paulo O ESTADO DE SAO PAULO in Portuguese (Economic Section) 13 Dec 91 p 1

[Text] Brasilia—The 1992 grain harvest will be 16 percent larger than that of 1991, increasing to 65.6 million tons from 57.4 million, Minister of Agriculture Antonio Cabrera disclosed yesterday as he announced the results of the second survey of growers' intentions with regard to planting.

"No other sector of the Brazilian economy will grow this coming year as agriculture will," Cabrera insisted. The government is putting the finishing touches on a $400 million investment plan for the agricultural sector, primarily with a view to purchasing limestone.

"We are dependent on favorable climatic conditions," the agriculture minister said, "but the rainy season has returned to normal and the outlook is positive. The government is going to rebuild its inventories, principally its stocks of basic products such as rice, beans, corn, and soybean oil."

According to Cabrera, the biggest success of the coming harvest season will be the corn crop. "With 28.5 million tons harvested compared to 23 million in 1991, the 1992 corn crop will set an all-time record," he said. He explained that the increased corn production was motivated by the development of poultry raising and hog raising. The government will avoid building inventories of imported products and give preference to domestic surpluses.

For example, a surplus of 800,000 tons of beans is forecast, with which the government intends to form "the largest inventory of the past 10 years," according to Cabrera. The government will probably enter the market immediately as a buyer of beans, because the government strategy is to show the growers that it will maintain existing prices. The sum of 20 billion cruzeiros is available for the purchase of beans.

The minister declared that in 1992 only two agricultural products will be imported: wheat and Basmati rice. In the case of rice, imports will be reduced to 600,000 tons from 900,000 tons.

Despite the reduction in the area planted to soybeans, the 1992 crop forecast is 18 million tons—19 percent larger than the 1991 crop. The agriculture minister forecasts a production of 2.6 million tons of soybeans to satisfy an estimated [domestic] consumption of 2.1 million tons.

* Demilitarization of Space Program Discussed

92SM0182E Sao Paulo GAZETA MERCANTIL in Portuguese 12 Dec 91 p 14

[Article by Luiza Pastor]

[Text] Brasilia—The Brazilian Space Program is being demilitarized. To this end, the government last Friday decreed the creation of an interministerial working group whose principal mission is to create and regulate—in a definitive manner—the Brazilian Space Agency, which will replace the Brazilian Commission for Space Activities (COBAE).

The idea of developing an alternative administrative structure for COBAE that will give COBAE the autonomy it needs to conduct business on the international market—as Embraer [Brazilian Aeronautics Company] and Petrobras [Brazilian Petroleum Corporation], for example, are able to do—is not new. The principal product that the Commission has to sell (and for which there is no shortage of buyers) is the excellent site of the Alcantara Launching Center in Maranhao State, which can be utilized to launch into space small-scale, low-altitude satellites—the so-called "light satellites" that are used for communications, prospecting, and mapping.

Situated two degrees from the equator, Alcantara will make it possible to launch a satellite into space with a

fuel economy of up to 30 percent by comparison with the principal centers at Cape Canaveral in the United States and at Kourus in French Guiana.

What is most novel about this decree is actually the fact that for the first time the government is taking the step of detaching the administration of the program from the Armed Forces General Staff (EMFA)—which today administers COBAE—and linking it to a civilian organ, in this case the Secretariat of Strategic Affairs. According to COBAE vice chairman Brigadier General Jose Marconi de Almeida Santos, this decision is intended to eliminate the fears that still persist in the international market (especially among the suppliers of equipment and technologies that are regarded as sensitive and susceptible to military use) with regard to Brazilian intentions in this sector.

"It was a political decision by the government," the general opined. "The military overtones still frighten people." He pointed out that except for detaching the program from the military sector and adopting a more executive-type profile that will make it possible to work with commercial contacts, "there will be no major changes in COBAE's existing structure. Moreover," he added, "the vice chairman will continue, as today, to be an Air Force officer."

Secretary of Strategic Affairs Pedro Paulo Leoni Ramos is slated to continue to serve as chairman of the agency (the definitive name for which has not yet been selected), sources connected with the recently created working group informed this newspaper yesterday.

"This linkage to military sectors merely because COBAE was in the sphere of the EMFA [Armed Forces General Staff] is not reasonable, inasmuch as one of the main pillars of the Space Program is the National Institute of Space Research (INPE), which has no links to the military," explains Minister of Education Jose Goldemberg, who is also involved in organizing the working group together with the Ministry of Infrastructure, the Ministry of Aeronautics, the Ministry of Foreign Affairs, the Ministry of Economy, the SAE [Secretariat of Strategic Affairs], the EMFA, and the Secretariat of Science and Technology.

Goldemberg is optimistic concerning the changes made in the Space Program—changes which he believes "will enhance the international credibility of the work done in Brazil." In his opinion, the fact that the agency proposes to encourage agreements with the U.S. NASA [National Aeronautics and Space Administration] or the European Space Agency and to present itself as a civilian organization encourages one to believe "that the success recorded in the nuclear field—with the signing in Vienna of the accord on safeguards—can be replicated in the space program." The researchers and supporters of the program believe that this success can be translated into contracts for the supplying of services to Alcantara, and into international authorization for the purchase of high-tech equipment needed to perfect projects that are today virtually paralyzed, such as the project for construction of a Brazilian launch vehicle for satellites.

Chile

Aylwin: Court President's Statements 'Unjust'

PY0901161692 Santiago Radio Chilena Network in Spanish 1000 GMT 9 Jan 92

[Text] President Patricio Aylwin has described the statements by the Supreme Court president—who stated that the reforms seek to politicize the judicial branch—as unjust. [Begin recording] We have never tried to politicize the judicial branch. I am the son of a judge. I am a career lawyer and I have always respected the court's members. I only want a very efficient and completely independent judicial branch. This is not, unfortunately, the case for the time being. [end recording]

Aylwin made these remarks shortly before departing for Puerto Montt, where he will tour Chaiten and San Rafael Lake in response to an invitation from Navy Commander Admiral Jorge Martinez Busch. Concerning the arms case, Aylwin reiterated that the government hopes that it can be completely clarified. He said: We want to fully clarify the origin of the problem and that nothing be concealed.

Aylwin also said that he was quite optimistic after meeting with coal mine leaders. He added that their proposals were very reasonable and that they apparently understood our viewpoints.

Silva Cimma Praises Agreement With Bolivia

PY0901151992 Santiago Radio Chilena Network in Spanish 1000 GMT 9 Jan 92

[Excerpt] Foreign Minister Enrique Silva Cimma praised the agreement reached between Bolivia and Peru, through which Bolivia will reportedly request a strip of Peruvian territory as an outlet to the sea.

Silva Cimma said that although he was unaware of the development, he deemed very satisfactory the progress made by the two countries.

[Begin recording] I am not aware of this development because it was not officially reported to the Foreign Ministry, but I praise the progress made by two brotherly countries because this sort of decision reveals their interest in this issue. We maintain very cordial relations with both countries and we continue to respect the agreements reached with them. [end recording] Concerning President Bush's ill health during a dinner in Japan, Silva Cimma said that he understood that Bush suffered a minor health problem that has apparently been overcome. [passage omitted]

Arms Smuggling Case: Rojas 'Cannot Be Charged'

PY0901185392 Santiago Radio Chilena Network in Spanish 1600 GMT 9 Jan 92

[Text] Commenting on the announcement by the National Renewal Party [RN] about the filing of constitutional charges against Defense Minister Patricio Rojas, Enrique Correa, the minister secretary general of government, said that Minister Rojas cannot be charged in the arms smuggling case for merely endorsing the statement of a Chilean Army general who was at the time the Army Ordnance [Famae] director.

The RN considers the Defense Ministry to be administratively and politically responsible for the illegal arms shipments. Correa said that this opinion is completely wrong. He said:

[Begin recording] The Defense Ministry endorsed the statement of the Famae director. It was he who stated that the procedures used for the arms shipment—initially dispatched to Sri Lanka but ended up in Croatia—were correct and in keeping with the law.

Rojas followed all regular procedures. As I have already stated, he endorsed the statement by an Army general who is no longer the Famae director. It is up to the courts to determine any involvement of General Letelier in this case beyond his administrative position as the Famae director. [end recording]

Correa added that Rojas cannot be charged with a crime in which neither he nor any other Aylwin government officials are involved.

He reiterated that Rojas endorsed the statement by Gen. Letelier, who said that an apparently correct and legal business operation was not really what it seemed to be.

Repercussions 'Under Control'

PY0901134692 Santiago Radio Chilena Network in Spanish 1000 GMT 9 Jan 92

[Text] Chilean Ambassador to the United Nations Juan Somavia said that the repercussions caused by arms smuggling in the international sphere are under control.

[Begin Somavia recording] The repercussions are under control because an explanation was given on the case and on the internal decisions that have been made in this regard. [end recording]

Somavia said that it is not convenient to violate UN resolutions such as the arms embargo to Croatia ordered by that organization. He said this after meeting with President Aylwin, whom he briefed on the steps made concerning the Chilean initiative to call for an international summit on social development.

Ecuador

President Borja Delivers New Year's Address

PA1001042292 Quito Radio Networks in Spanish 2300 GMT 7 Jan 92

[New Year's address by Ecuadoran President Rodrigo Borja before the diplomatic corps at the Presidential Palace in Quito—live]

[Excerpts] [passage omitted] The Ecuadoran Government has strived to consolidate peace at home and abroad. As the nuncio and the national defense and government ministers confirmed, Ecuador urged Peru at the United Nations to make efforts to coexist in peace; channel our best resources and efforts to upgrade the standard of living of our peoples; and find a peaceful solution to our old territorial conflict.

I must recognize President Fujimori's courage for accepting my invitation to visit Ecuador and thus become the first Peruvian president to do so to discuss all aspects of our bilateral relations. This is a first in the republican histories of our two countries.

Discussing our territorial problems entails dealing with a very complex problem that has no easy solution and is charged with emotions. It is important to keep in mind that the Peruvian president's visit to Ecuador and his meetings with the Ecuadoran president will irreversibly open a path of peace, cordiality, and mutual understanding along which our two countries must transit in the future in search for the equitable and just solution for which our peoples are longing.

At the United Nations I proposed the creation of a peace zone in South America. That proposal has just been greeted favorably within the Group of Rio, and its 13 presidents are deeply committed to the cause of peace in Latin America. We hope that 1992—as was said here—will become the year of peace. [passage omitted]

Through a tripartite agreement reached by the government, private businessmen, and the workers, we decided to join the Andean free trade zone that will serve as a mechanism to further our economic and social development. We contributed with our firm determination to the decisionmaking process—that in my opinion was the most important accomplishment in the 23-year Andean integration effort—to establish the free trade zone and a single tariff system for our five member countries.

In the Galapagos we set 1995 as the deadline to achieve this goal and in La Paz we advanced that deadline to 1992, the year of integration, open markets, and lower tariffs. The five presidents made this courageous decision to prepare all our countries for the challenges posed by an open and free world economy.

Our country's economy behaved satisfactorily in 1991. The GNP grew by 2.9 percent. This figure is based on provisional data that I believe will vary, according to

information that the finance minister gave me this afternoon. This growth rate will indeed be higher.

At any rate, I would like to put on record that for the first time in many years our country's GNP surpassed the population growth rate. Two very important sectors of our economy have shown the highest degree of dynamism in this growth: The industrial manufacturing sector grew by 3.9 percent and the agricultural sector by 3.7 percent.

Our international monetary reserves as of late December 1991 stood at $760 million. This means that there was a permanent [words indistinct] of $ 1.1 billion during my administration. This was the result of a serious, stable, and firm government policy. Ecuadoran exports reached $2.809 billion in 1991, that is, $100 million more than in 1990.

Our firm struggle against inflation continued. As of December 1991 it stood at an annual rate of 48.9 percent. We will continue to fight inflation—one of the worst scourges of our country's poor people.

Our social policy has experienced enormous progress. In 1990 the children's development community network cared for 120,000 children each day; in 1991 it cared for 212,000 children under six years old each day while their parents worked. The comprehensive community family medicine system, involving over 400 health centers, has protected the health of millions of Ecuadoreans who never before had access to medical services. [passage omitted]

Borja Remarks on Importance of Fujimori's Visit

PA0901174492 Lima Panamericana Television Network in Spanish 1200 GMT 9 Jan 92

[Interview with President Rodrigo Borja by Rosario Enciso on 9 January in Quito—recorded]

[Text] [Enciso] New winds seem to be blowing for the future of the relations between Peru and Ecuador. A few hours before the first official visit by a Peruvian chief of state to Ecuador, goodwill has replaced suspicion, immoderation, and radical positions.

[Borja] The important thing is the presence of the Peruvian president. Our upcoming talks will irreversibly mark a path of peace, friendship, and mutual understanding—a path both of our countries should take in the quest for the equity and justice our people desire.

[Enciso] You have referred to the courage of the Peruvian president to discuss this delicate matter.

[Borja] It is truly a gesture of courage and determination. I am aware of that. I admire President Fujimori's attitude. We will talk with our usual frankness, represent our respective countries, and consider the need to understand and cooperate with each other. We will seek the path for peace and equity in our effort to solve the problem between our two countries.

[Enciso] Can we say that we are in a stage where distrust has ended? Can we say that the governments of two Latin American nations must face their problems, based on reality, in an effort for peace?

[Borja] You have said it. I think that reciprocal trust is a precondition to talk, understand one another, and seek solutions for peace and tranquillity in our countries. I think peace has a universal value. I would say that peace is the sign of the times. Wherever you look, you will find the efforts of human beings and nations in their search for peace. Peace is an indispensable factor for development. Peace is the most important resource a country can have to progress.

[Enciso] The two nations have expressed a will to begin this dialogue. Why is it being held at this precise moment? Is it that we are living in an era of change?

[Borja] This matter has deep roots. It is not an improvised thing. Since I became president three and a half years ago, I have tried to promote a climate of understanding with Peru. Alan Garcia did the same during his administration and it is what President Fujimori is also doing. Thus, what you see, the possibility to talk—that did not occur before in our republican history—is the result of the concern, goodwill, and devotion of those who have held power in Peru and Ecuador in recent times.

[Enciso] Both nations are hoping for positive results from this meeting. If you are able to attain this a few months before the end of your term, would you feel it was fundamental for you? Would you feel very pleased to have achieved this?

[Borja] Yes, I would be very pleased if we reach a satisfactory agreement respecting, naturally, the rights of the two countries.

[Enciso] Is Ecuador's position always based on an arbitration from the pope?

[Borja] I would discuss that with President Fujimori. In the meantime, a happy ... ear for the Peruvian people.

Fujimo... Arrives

PA1001014992 Quito Voz de los Andes in Spanish 2300 GMT 9 Jan 92

[Text] For the second time this month, Ecuadoran President Rodrigo Borja will meet Peruvian President Alberto Fujimori to try to solve the old border conflict between their countries. President Borja met his Peruvian counterpart at Quito Air Force Base, amid very tight security, including Peruvian military and police personnel who arrived in Quito on 8 January.

A few minutes before Fujimori arrived, Ecuadoran Deputy Foreign Minister Mario Aleman said to reporters: We have taken every possible security measure. However, we are sure that Ecuadoreans will not attack—that any possible attack would come from other elements—and that the public is perfectly aware of this. Government sources, who asked not

to be identified, have asserted that the security measures were taken to prevent acts by Peruvian left-wing guerrillas to thwart the presidential visit. Aleman added: Ecuador receives President Alberto Fujimori with open arms and with the classic cordiality and courtesy Ecuadoreans give to their visitors.

The Peruvian president arrived with an official 22-person entourage, including his wife; Foreign Minister Augusto Blacker Miller; Defense Minister General Victor Malca Villanueva; and Industry and Commerce Minister Victor Joy Way. The president and his entourage are accompanied by more than 40 journalists and a group of businessmen. Ecuadoran Industry Minister Juan Falconi said: We are going to obtain as many advantages as possible from this visit. He added that the Peruvian businessmen will meet with their Ecuadoran counterparts to study matters of mutual interest and to review possibilities for cooperation in the field of tourism. According to official reports, Fujimori is carrying proposals for 37 programs to promote relations between Ecuador and Peru, including a river navigation treaty, a boundary agreement, and programs to promote integration and trust between both countries.

The Peruvian Government supports the full validity of the border agreements signed by Ecuador and Peru in Rio de Janeiro in 1942 and endorsed by the Governments of Argentina, Brazil, Chile, and the United States. Government spokesmen have said that Ecuador will insist on the proposal, made more than three months ago, for Peru to agree to sign a nonaggression pact and to make efforts to obtain the mediation of Pope John Paul II in this border conflict. Quito contests the validity of the Rio de Janeiro Protocol as it believes that, with it, the country has lost direct access to the Amazon River and approximately 200,000 sq km of eastern jungle area that are rich in petroleum and strategic minerals.

Ecuadoran Foreign Minister Diego Cordovez stated in an interview published on 9 January: We have told President Fujimori and Foreign Minister Blacker Miller that Ecuador's hopes for sovereign access to the Amazon River are very important in solving this conflict. He added: We are cautiously optimistic. We are cautious because we have to have realistic and optimistic expectations of the meeting. A meeting between presidents always represents an advance.

Peruvian President Alberto Fujimori predicted that his efforts and those of his Ecuadoran counterpart Rodrigo Borja Cevallos to peacefully resolve the border conflict between Peru and Ecuador will be successful. I am sure that my visit will be fruitful and beneficial for Peru and Ecuador, Fujimori said to reporters a few minutes after he arrived in Quito on a 48-hour official visit.

[Begin Fujimori recording] My stepping on to Ecuadoran soil has especially touched me. I am sure that history will record this event as a most important one in relations between our countries. I am, thus, grateful for this cordiality and this....[break in reception] [end recording] I am grateful for the invitation and I am a bearer of greetings to the Ecuadoran Government and people, Fujimori added.

[Begin Fujimori recording, in progress] ...from the Peruvian Government and people to the Ecuadoran Government and people. I am sure my visit will be fruitful and beneficial for relations between Peru and Ecuador. Thank you. [end recording]

We have heard President Alberto Fujimori, after his arrival in Quito at 1505. He was met by President Rodrigo Borja Cevallos and national government authorities. We understand that the presidents are complying with the points on the scheduled agenda almost to the letter. The two presidents are currently meeting at the government palace and the meeting will continue until 1900. President Borja and his wife will host a dinner honoring President Fujimori and his wife and entourage at 2030 tonight. This is the last point on the agenda for 9 January.

Foreign Oil Companies Discover New Reserves

PA0901023392 Madrid EFE in Spanish 1855 GMT 4 Jan 92

[Text] Quito, 4 Jan (EFE)—On 4 January it was announced that foreign oil companies with contracts to provide services in Ecuador have discovered new oil reserves that amount to 920 million barrels. "Petroproduccion," an affiliate of the Ecuadoran State Petroleum Enterprise (PetroEcuador), said that 491 million barrels correspond to proven reserves and the remaining are possible reserves. The company added that the foreign oil companies have invested $479.3 million.

According to information provided by "Petroproduccion," the largest oil reserve, with 210 million barrels, was found by a group of companies headed by the U.S. "Conoco" that recently transferred its shares to "Maxus." The second largest reserve, with 198 million barrels, was also discovered by a U.S. company, "Occidental."

Ecuador, an OPEC member, has 16 oil fields. Each oil field comprises 200,000 hectares where 50 or 60 wells have been drilled. These oil fields are located in the Amazonia area and along the coast.

Ecuador is currently producing some 300,000 barrels of oil per day and is exporting approximately half of its production.

* Roldos on Role of State, Investment in Economy

* Role of State Described

92P40093A Quito EL COMERCIO in Spanish 20 Nov 91 p A5

[Commentary by Leon Roldos Aguilera, Ecuadoran Socialist Party presidential candidate]

[Text] The editorial in Chilean daily EL MERCURIO of Wednesday, 6 November 1991 refers to statements by the leader of one of that country's most important political parties explicitly espousing the "market and private initiative as a suitable mechanism for apportioning resources, obtaining information about consumers' needs and desires, and stimulating scientific and technological development.

Readers could think of several possibilities as to [the identity of] the political party; however, there will probably be some readers who will not suspect those statements were made by Senator Ricardo Nunez, the new secretary general of the Chilean Socialist Party, the same party to which Salvador Allende belonged and which is now unified following the sharp divisions which occurred during the seventies and eighties.

The EL MERCURIO editorial states that this assertion by Senator Nunez places him "in the vanguard of a modern and genuinely renewed left."

The preceding statements do not mean that Latin American socialism is becoming confused with the typical ideological currents of contemporary capitalism, but rather that reform has occurred inasmuch as the state is not viewed as the answer for everything. The same statement by Senator Nunez indicates the state can promote equal opportunity, and can guide policy in the fight against poverty through the redistribution of national wealth—a necessary precondition for real public security which can be obtained in the short term by means of repression, but which will only be achieved in the long term by reducing the gap between the sectors with the most economic power and the poor in a society.

Thus, it is not a case of there being isolated voices in Latin American socialism with respect to a new conception of the state, and social and economic relationships. On the contrary, there is agreement between the ideas and proposals of several Latin American socialist parties (which, moreover, were not responsible for state intervention practices which existed in some countries during the sixties and seventies, whereby the purchase of private enterprises by the state was not detrimental to the previous owners, but rather was beneficial since the enterprises were bankrupt and had serious problems; those who engaged in this state intervention were lawyers and advisors of such enterprises who occupied high government posts. In Ecuador, one can identify the cases which occured under this program).

It is naive to believe that the accumulation of wealth by a few yields a collective benefit. No one can deny the accelerated pace of economic development in Chile; but about 44 percent of Chileans live between poverty and destitution because policies for redistributing wealth were absent.

It is naive to believe that the way out for society is by influencing the sources of production merely to redistribute what already exists. That is the quickest path to collective poverty.

The new socialism tries to link circumstances such as production with effective competition and not with monopolistic practices, and economic growth with development, which implies social policies and encourages production with better access to small and medium-sized producers.

* Types of Foreign Investment

92P40093B Quito EL COMERCIO in Spanish 27 Nov 91 p A5

[Commentary by Leon Roldos Aguilera, Ecuadoran Socialist Party presidential candidate]

[Text] In the 28 October 1991 issue of the Argentine magazine SOMOS there is an interview with Michael Porter, a professor of business administration at Harvard and author of 13 books; noteworthy among these is his work, "The Competitive Advantage of Nations," a worldwide bestseller in which he carries out a study related to the subject of his book for a foundation supported by the Argentine Government.

Porter favors foreign investment, and in this context the question arises, "What happens if you discover that the most productive industries are foreign ones?" His answer was: "That is the case in Canada. Fifty percent of the Canadian manufacturing industry is foreign, which is a very large portion."

He continues: "I believe that a solid economy should have domestic and foreign investment. The problem is determining what type of foreign investment would be suitable for the country. There are three types of foreign investment. A foreign company decides to invest in a certain country, because it seeks cheap labor or raw materials, because it needs to establish itself in that country to be able to enter into a market, or finally because it has chosen that country to establish its world or regional headquarters. Clearly, the ideal is to seek the latter type of investment and avoid companies which establish themselves solely for the other two reasons. If a company establishes itself in a country only because of cheap labor, it will move as soon as it finds another country with cheap labor."

I agree with the Michael Porter's thinking, which could not be clearer with regard to the idea that not all foreign investment is good; for this reason, the simple opening to that investment without an adequate framework—which on the one hand sends signals of long-term stability, and on the other favors national development—can have a predatory effect before it yields benefits.

Allowing foreign investment in the tourism sector, as even Cuba is encouraging, or in the mining sector, while seeking to limit its exploitation or to promote exports, for example, is for the good of the economy and the society.

To give priority to the foreign businessman in the construction area, where there is domestic competition and quality; to permit and facilitate their access solely for construction

of social housing; for foreign investors to use their influence to monopolize long-term credit of the Ecuadoran Bank for Housing, or the IESS [Ecuadoran Social Security Institute]; or to allow Ecuadorans to appear as foreign investors in order to seek the protection of other countries' regimes are negative circumstances.

A particular point which merits reflection is that of the assembly industry, to which Porter refers in the first type of foreign investment. A foreign company decides to invest in a certain country because it seeks cheap labor, which leads up to his idea that "if a company establishes operations in a country solely because of its cheap labor, it will move as soon as it discovers another country with cheap labor."

Essentially, the assembly industry involves cheap labor and less control over environmental protection, and industrial and worker safety policies. For this reason, the supposed benefits to investors represent circumstances which, when a country improves its levels of social welfare, cease to be attractive. In between Ecuador and Haiti, the poorest country in Latin America, there are several countries which are a better market for assembly industries than Ecuador; thus, industrial development should be based on industries which are more solid and stable, rather than on assembly industries, which they have tried to overrate in Ecuador and which will be transitory as long as social welfare levels remain low in Ecuador.

Peru

Fujimori Comments Before Visit to Ecuador

PA0901201892 Lima Radio Programas del Peru Network in Spanish 1816 GMT 9 Jan 92

[News conference by President Alberto Fujimori with unidentified reporters at the airport before departing for Ecuador on 9 January—recorded]

[Text] [Fujimori] You already know the purpose of this official state visit to the sister nation of Ecuador. The main objective is to continue and consolidate the rapport between our countries, which began approximately one month ago at the Cartagena meeting.

As with any problem, it is important to face it, take initiative and not remain inactive and passive, which can cause more harm than good. There are enormous possibilities to work with Ecuador. Some of you accompanied me to Cartagena and witnessed that possibility through an effective Andean integration.

According to news reports, this visit has created great expectations. The possible outcome of this first official contact at this level has also been reviewed. Undoubtedly, this visit will be the foundation to continue advancing.

I will gladly answer your questions now.

[Reporter] The Vatican representative in Ecuador [words indistinct] with respect to Peru? [words indistinct]

[Fujimori] It is not true that the Vatican's Secretary of State or any other Vatican special representative is in Quito. If this were the case, it would not be a problem. The information, however, is false.

[Reporter] Mr. President, how would you describe the [words indistinct] when President Borja describes you as brave for accepting his invitation to Ecuador due to the risks—risks felt by all politicians?

[Fujimori] No step taken to reinforce the links between two sister peoples carries any sort of risk. On the contrary, I believe this will bring positive results. At least we will begin by planting the seed, which will germinate in a very vigorous way. Of course, going to the scene is innovative, but I remain optimistic. I have the feeling the Ecuadoran people are going to receive us with the same friendship and cordiality we would extend to President Borja.

[Reporter] [Words indistinct] papal mediation [words indistinct]

[Fujimori] There are many quarrels in bilateral relations. It is possible that in some cases no agreement is reached. Overall, the balance is going to be positive. Of course, I shall listen to every proposal.

[Reporter] Will you have the opportunity to talk to every one of the presidential candidates [words indistinct] the electoral process?

[Fujimori] That is correct. President Borja has invited various personalities, even candidates. I think this is very important and interesting to have this direct contact.

Former President Garcia Resumes Senate Seat

PY0901161292 Madrid EFE in Spanish 0148 GMT 7 Jan 92

[Excerpt] Lima, 6 Jan (EFE)—Former President Alan Garcia returned on 6 January to Congress to resume his seat as senator, and he stated that the charge of ill-begotten enrichment that was made against him "is a shut case," despite the fact that it still can be reopened by the Supreme Court.

In his Senate office, Garcia told reporters that he resumed his functions as a senator "because the case is over." A special tribunal in the Supreme Court decided that the trial was inadmissible "due to the lack of evidence." [passage omitted]

Joint Staff Chief, Other Appointments Announced

PY1001113492 Lima EL COMERCIO in Spanish 31 Dec 91 p A8

[Summary] Division General Nicolas de Bari Hermosa Rios, the current Peruvian Army commander, will assume his duties tomorrow as chairman of the Joint Chiefs of Staff. The other members of the joint staff will be Navy Commander Alfredo Arnaiz Ambrossiani and Air Force Commander Arnaldo Velarde Ramirez. In

addition to being entrusted with planning, conducting, and executing military operations at the domestic and international level, the Armed Forces joint staff also has been entrusted with planning and carrying out antisubversive operations.

It has been reported that the National Intelligence Service (SIN) will be headed by Army General Julio Rolando Salazar Monroe; the Army staff chief will be Division General Alfonso Robledo del Aguila, and the new Army inspector general will be Division General Roberto Saldana.

Moreover, the following officers were appointed military region chiefs: General Victor Pizarro Castaneda (First Military Region-Piura); General Luis Salazar Monroe (Second Military Region-Lima); General Rodolfo Robles Espinoza (Third Military Region-Arequipa); General Howard Rodriguez Malaga (Fourth Military Region-Cuzco); and General Tomas Castillo Meza (Fifth Military Region-Iquitos).

Roundup of Terrorist Activities 27 Dec-1 Jan

PY0801002092

[Editorial Report] Following are reports on terrorist activities in Peru compiled from Peruvian papers published between 27 December 1991 and 1 January. Publication information is given in parentheses after each item.

Trujillo—26 Dec—On the night of 25 December terrorists placed a bomb in front of the house of Guillermo Guerra Cruz, the German consul in Trujillo. The consul was not at home at the time of the explosion but his daughter-in-law, Betsy Cardenas, and her son Willy were injured by flying glass. The front of the house suffered extensive damage.

In another incident on the same night, a bomb exploded in front of the Banco Nor Peru, damaging the building and several houses in the vicinity. (Lima LA REPUBLICA in Spanish 27 Dec 91 p 26)

Huancayo—On 28 December three Shining Path terrorists murdered Hector Landeo Lopez, 65, mayor of the district of Mantaro, Jauja Province. (Lima EXPRESO in Spanish 29 Dec 91 p 15)

Cusco—On 26 December a group of Shining Path subversives attacked a bus in Mulluna, 178 km from Cuzco, and killed five passengers with their machetes. Passengers who fled into the woods reported that the terrorist threw the passengers' bodies into a nearby river. (Lima EXPRESO in Spanish 29 Dec 91 p 14)

Dr. Daniel Espichan Tumay, special prosecutor for terrorism cases, reported that 85 percent of the nearly 7,000 terrorists captured by police and placed in custody of the Attorney General's Office and the courts in the past 11 years have been released for, among other things, "lack of evidence." The report says that only 600 terrorists have been sentenced and that many of those found guilty are free because their sentences were too light. (Lima EL COMERCIO in Spanish 29 Dec 91 p A1)

Huaral—In the early morning hours of 1 January, Shining Path terrorists threw a bomb against the Municipal Palace in Huaral. The explosion caused extensive damage to the building and injured five people who were celebrating the new year in the vicinity. The bomb also damaged nearby houses and the Popular Bank building located in the neighborhood. The Municipal Palace is located only 20 meters away from the local police station. (Lima LA REPUBLICA in Spanish 2 Jan 92 p 22)

Venezuela

Government Ministers Tender Resignations

PA1001005792 Caracas Venezolana de Television Network in Spanish 0000 GMT 10 Jan 92

[Text] In a traditional ceremony the day before a cabinet change, government ministers tendered their resignations as a group to the president so that he can appoint his new associates.

The announcement was made by Andres Eloy Blanco from the Central Office of Information, OCI.

President Carlos Andres Perez was very short on words.

[Begin recording] [Unidentified reporter] Are we going to wake up with a new cabinet?

[Perez] What?

[Reporter] Are we going to wake up with a new cabinet?

[Perez] You are going to wake up with a cabinet. I do not know if it is going to be a new one or an old one. [laughter] [end recording]